

**AN ACTION PLAN  
TO STRATEGICALLY GROW LOUISIANA'S ECONOMY  
BY STRENGTHENING COMMERCIAL TIES  
BETWEEN THE STATE AND LATIN AMERICA**

Prepared for:  
**Louisiana Economic Development  
and  
The Louisiana Committee for Economic Development**

By:  
**The Washington Economics Group, Inc.**

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2655 LeJeune Road, Suite 608  
Coral Gables, Florida 33134  
Tel: 305.461.3811 - Fax: 305.461.3822  
[info@weg.com](mailto:info@weg.com)  
[www.weg.com](http://www.weg.com)

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## I. EXECUTIVE SUMMARY

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- ❑ The project to expand Louisiana-Latin America Commercial Relations is being developed in a number of phases to increase the likelihood of success over a multiyear period. This is being done with emphasis on setting the foundation for fundamental expansion of the state's trade and investment activity with the expanding markets of Latin America.
- ❑ There are **three distinct phases** of the Project, as developed jointly by The Washington Economics Group (WEG) team of Consultants and the Louisiana Committee for Economic Development (LCED).
- ❑ **The first phase** was developed and implemented during the first year, covering the period from June 2008 until June 2009. During this seminal period:
  - In depth primary research was conducted through visits and interviews with the state's public and business leadership. This effort was led to ascertain opinions and recommendations on the potential expansion of Louisiana-Latin America commercial activities on a multiyear basis.
  - **Appendix I** contains a record of the meetings conducted jointly by the Consultants and LCED members and staff, as well as a list of individuals interviewed.
- ❑ During the first-year period, the Consultants developed a survey to assess the Strengths, Weaknesses, Opportunities and Threats (S.W.O.T.) facing Louisiana in its effort to expand commercial relations with Latin America. Section IV of this Study analyzes the S.W.O.T. responses gathered from local leaders. Appendix II contains the S.W.O.T. format that was developed and distributed.
- ❑ The completion of this Comprehensive Study, containing the first-year research, analysis, strategic recommendations and tactics to increase Louisiana-Latin America Commercial Relations, concludes the first year and the **first phase** of the Project.
- ❑ The Study contains numerous analyses and recommendations to build a permanent foundation leading to the steady growth and market share increases in Louisiana's trade and direct investment flows with Latin America.

□ **Section II** presents “Best Practices” among U.S. states for a successful program to increase Foreign Direct Investment (FDI) and trade relations between Louisiana and Latin America. Summarized findings from this Section are as follows:

- **Involvement by top business and public leadership is essential for a successful effort to sustain and expand Louisiana-Latin America Commercial Relations.** The roles of the Governor, the Chief Executive of statewide companies and higher education leader, are examined in states that have successes in increasing global commerce, especially with Latin America. These states are Florida, Alabama, Texas, Georgia and California.
- **Best Practices** among the U.S. states that are important for Louisiana to consider are the following:
  - Establishment of a permanent entity to lead and coordinate the private effort with public officials. This action institutionalizes the Louisiana-Latin America effort on a multiyear basis.
  - Focused marketing, targeted investment, trade missions and a steady effort to enhance the Latin America “brand” of Louisiana are essential to a successful undertaking.
  - Finally, the case studies of the Best Practices presented indicate the need to develop a “toolkit” of incentives to specifically support global business expansion. Among the elements of the “toolkit” are fiscal incentives for trade and investment expansion, international grants for Louisiana entities to build trade capacity and a Foreign Direct Investment program separate from the promotion of export/import activities (trade).

□ **Section III** of the Study identifies key Latin American markets and specific opportunities for the expansion of Louisiana Foreign Direct Investment and Trade. In summary, the findings of Section III are as follows:

- The Latin American marketplace is large and growing fast. This provides significant opportunities for development by the State of Louisiana.
- For success, however, the Louisiana-Latin America Commercial Effort must zero-in on specific countries, strategic modes of entry and the expansion of the chosen markets.
- An export/import promotion strategy for the smaller countries of the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA).

- An aggressive Foreign Direct Investment strategy (FDI) to recruit Latin American companies to **invest in production and distribution within the state.**
- The countries chosen for the FDI Strategy were prioritized on a number of factors. These countries are:

- |                    |                     |
|--------------------|---------------------|
| <b>1. Mexico</b>   | <b>4. Brazil</b>    |
| <b>2. Peru</b>     | <b>5. Chile</b>     |
| <b>3. Colombia</b> | <b>6. Argentina</b> |

□ **Section IV** of the Study presents the Louisiana local perspective on the thrust that the state's Latin America strategy should follow, including state business executives' perspectives on Strengths, Weaknesses, Opportunities and Threats (S.W.O.T.).

- The consensus among Louisiana executives is that a private sector-led strategy, working closely with the public sector and emphasizing a statewide approach, has the best potential to increase Louisiana-Latin America business activity.
- Industries such as energy, agro-industrial, leisure and hospitality, healthcare, higher education and financial services were specifically mentioned as promising areas for expansion in both trade flows and in attracting Latin American companies to invest and produce goods and services in the state.
- The need to urgently expand air connections with Latin America was repeatedly stated by local leaders as a top "Weakness" in the S.W.O.T. analysis.

□ **Section V**, the final section of the Study, integrates the prior sections in a phased-in Strategic and Tactical Roadmap to Increase Business (trade and FDI) with Latin America. Top areas of concern in this Section are as follows:

- At the beginning of the Section, the Consultants (WEG) developed and presented a "Strategic Market Map," with Louisiana as the Center of the broad market area for the production and distribution of goods and services **to and from selected** Latin American countries and U.S. states.
- From a Louisiana location, Latin American corporations can efficiently reach a broad market area encompassing the states of Texas, Oklahoma, Arkansas, Mississippi and Illinois.
- Mexico is discussed as the top Latin American state for the recruitment of Mexican companies to Louisiana, with specific investment missions to Monterrey and key Gulf States of Mexico.

- Central America is identified as a “low hanging fruit” for export development, especially service exports such as healthcare, visitors, financial services, information technologies, environmental-related technical assistance, agro-industry technical assistance and other business services. **Appendix IV** of the Study presents top export opportunities by product and services categories.
- **Section V** also contains a number of **specific tactics** to expand FDI in targeted industries and a list of top corporations in each country for the recommended six “Team Louisiana” investment missions to be taken during the second year (phase) of the project.
- In conclusion, the three phases for successful development of the Louisiana-Latin America commercial relations are as follows:
  - Phase I is the current one-year effort, concluding with the present Study.
  - Phase II is the second year that involves the presentation and marketing of the findings in the Study to reach leadership consensus on its implementation, the organization of a permanent vehicle to facilitate implementation of the strategy, and the start of the suggested “Team Louisiana” investment mission.
  - Phase III involves benchmarking of initial results, any refinements of the strategy if needed and continuous implementation on a multiyear basis

## **II. BEST PRACTICES FOR A SUCCESSFUL EFFORT TO INCREASE FOREIGN DIRECT INVESTMENT AND TRADE RELATIONS BETWEEN LOUISIANA AND LATIN AMERICA**

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### ***A. Overview***

With an increasingly global economy, the aim to develop and sustain a successful international trade, investment, and export promotion program has found its way into the policymaking boardrooms of economic development organizations across the nation. Virtually every state and many cities therein, can point to programs and policies that have been considered or put in place to promote global trade and foreign direct investment in their jurisdictions. Regions – small and large – compete daily in their efforts to attract international trade and investment prospects, as well as to encourage local entrepreneurs to engage in export activities. While clearly not all Americans fully appreciate the importance of foreign direct investment and export development to their respective economies, their economic development and elected leaders increasingly do. Many state leaders now see the importance of global trade as a key to economic vitality and long-term durability.

While access to the international trade and investment arena is considerably open and growing, the trade promotion programs of states that are designed to cultivate and enhance successful global economic interaction present a mixed bag. In fact, many states lack a sophisticated or coordinated structure to maximize their global commerce prospects and competitiveness. Essentially, it is not enough for a state or region to just want to increase international trade and investment. There must be thoughtful strategy and a coordinated implementation process in place for a state's international trade efforts to be successful in world commerce.

Clearly, some states have natural advantages in their ability to engage in and compete for global trade and investment. These advantages include: geographic proximity to other nations; cultural and linguistic relationships to a particular world region; and “top-of-mind” recognition by those in other nations. The latter advantages can be exemplified by states such as California, Texas, and Florida that, over time, have established indelible impressions on minds worldwide.

While natural advantages will continue to exist for some states, the playing field for those “lesser known” states on the international trade scene can be leveled out to a great extent if a strategic and concerted plan is developed to grow and sustain its global economy. And, most importantly, it is essential for that plan to be embraced and prioritized at the highest leadership level. Both Alabama and Georgia represent two states that have excelled in



building international trade and export in their states even though they did not possess the same competitive advantages as Florida, Texas or Louisiana.

### **Essential Factors in a Successful Global Trade and Foreign Direct Investment Effort with Latin America**

There are a number of essential factors that are clearly important to the creation and optimization of Louisiana's international trade and investment with Latin America. Such factors include: (1) top level leadership involvement; establishing a lead entity to coordinate statewide trade efforts; (2) outlining state trade strategy; marketing, missions, and global recognition; and (3) maintaining a toolkit to stimulate foreign business attraction and export development.

#### ***B. Top Level Leadership: The Key to Success***

There is arguably no greater factor in moving forward a state's global reputation and trade prospects than strong, clear leadership by the state's Chief Executive and the top business leadership. The Governor, as the state CEO, must make such an initiative a personal priority of that administration.

When the Governor establishes international trade and investment as a state priority, the promise of growth and sustainability of that state's trade promotion and export development becomes profoundly more attainable. Examples of best practices in state leadership in promoting a strategic, effective, and cohesive international trade effort can be found in Governor Sonny Perdue of Georgia, Governor Rick Perry of Texas, Governor Bob Riley of Alabama, Governor Charlie Crist of Florida, and his predecessor, former Florida Governor Jeb Bush.

Each of these Governors fundamentally embraced the importance of international trade and relationships to the bottom line of their economies, and they stressed their funding, policy development, and actions toward meeting that priority. When a Governor takes personal ownership in ensuring success in building the state's international trade and investment capacity, a sense of mission and momentum is created for others in the state to follow-leading optimally to dedicated statewide coordination for program implementation.

## **Case Example: Florida Governor Jeb Bush**

As Governor of the State of Florida from 1999-2006, Jeb Bush established three fundamental priorities for his two terms in office: Quality Education, Strengthening Families, and Economic Diversification. To meet his goal of Economic Diversification, he established three sub-tier priorities, one of which was to “Promote and Grow International Trade & Investment in Florida,” with special emphasis on the Latin American Region.

To be directly accountable and responsible for the success (or failure) of building Florida’s global reputation and relationships, Governor Bush brought all international trade, investment, export, and diplomacy programs (and their associated budgets) to fall under his watch. Previously, the Governor and the elected Secretary of State had shared oversight of international programs. However, establishing such a direct line to the Governor was instrumental in emphasizing the importance of international trade and diplomacy to the State of Florida, thus ensuring prioritized coordination of policies and programs, and eliminating competing organizational/agency efforts as well as redundancies.

Throughout his tenure, Governor Bush was an ardent and steadfast supporter of international trade and development efforts as they related to Florida – and his high level public advocacy was both visionary and infectious. With strong leadership, he spoke regularly and passionately of his priority to build Florida’s place in the global economy. Appreciating what it meant to them and their future, Floridians embraced his message and joined in ranks to support Florida’s international trade and investment efforts. A proponent of “free but fair” trade, Governor Bush led Florida’s effort to support passage of the Presidential Trade Promotion Authority, and well as several key Free Trade Agreements (FTAs) to include the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA) and the U.S.-Chile Free Trade Agreement. In all regards, the Governor pushed for FTAs that would be both beneficial and fair for all Floridians.

From January 1999 to July 2006, Governor Bush led business development and advocacy missions, as well as international goodwill missions to Afghanistan, Argentina, the Bahamas, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Germany, Guatemala, Haiti, Honduras, Indonesia, Iraq, Ireland, Israel, Kuwait, Mexico, Nicaragua, Peru, Spain, Switzerland, Thailand, United Kingdom, Uruguay, and Vatican City. More than 1,897 business leaders participated with Governor Bush in the strategic trade missions, netting over \$858 million collectively in new business opportunities for the state. Successes are still being realized today with the most recent announcement by the Max Planck Institute of Germany to establish its first life sciences research institute outside of

Europe in Florida. This expansion resulted directly from meetings held with Institute leaders during the Governor's Germany trade mission.

Through his effective leadership, Governor Bush took Florida's international business and exports to an all-time high. In 2005, Florida's international trade reached \$95.3 billion, an increase of \$25.7 billion since 1998. In that same year, Florida's foreign direct investment (FDI) exceeded \$31 billion with international companies providing 256,000 jobs to Floridians. Today, with an engrained culture in support of international trade endeavors in Florida, over one million jobs in the state are provided by exports of goods and services and employment by foreign-owned companies (source: Enterprise Florida).

***C. Establish A Lead Entity to Coordinate a Global Effort: A Second Necessary Condition for Successful Expansion of Trade and Investment with Latin America***

While top-level leadership is vitally important to setting the vision, it is clear that leadership alone cannot do it all. As such, **it is important to have a principal organization in place that is respected statewide to carry out the big vision with strategy, coordination, and sweat equity.** The most successful of such lead entities are those that report directly to the Governor, either through being part of the Governor's Office itself or in being an organization to which the Governor is the designated Chair. Direct reporting to the Governor assumes increased accountability for ensuring success, and greater credibility among stakeholders statewide. In turn, assuming other international trade and export groups will exist throughout a given state, the entity charged by the Governor to lead global trade efforts statewide should be actively engaged in coordinating the array of local, regional, and trade groups into a complementary state network and trade team.

**In Alabama**, the lead entity responsible for carrying out international trade efforts is the Alabama Development Office (ADO) that reports directly to Governor Bob Riley. In cooperation with the Governor, the ADO leads domestic and international business development efforts, to include the Export Alabama initiative, as well as prepares the state's annual Trade Strategy Study. Alabama has done an outstanding job of partnering with internationally-focused organizations, businesses, and individuals across its state to market itself internationally, to secure significant international business investment, and to spur export endeavors among Alabamans. The Export Alabama Alliance (EAA) is a superb example of statewide coordination of international efforts in the interest of supporting a Governor's global trade vision. Operating in collaboration with the Governor of Alabama's Development Office, the EAA is a seamless network of international trade agencies with the

fundamental objective of helping Alabama companies grow their businesses internationally. Alliance members include the ADO, the International Trade Center; Alabama State Port Authority; Alabama World Trade Center Association; Birmingham Regional Chamber of Commerce; Madison County Commission; International Trade Development Center; Mobile Area Chamber of Commerce; North Alabama International Trade Association; Port of Huntsville; U.S. Chamber of Commerce; and the Export Assistance Centers.

**In Florida**, the lead entity responsible for international trade is the Office of Tourism, Trade, and Economic Development (OTTED) located within the Executive Office of the Governor. Reporting directly to the Governor, the Director of OTTED is also, by law, the Chief Protocol Officer for the State (a role formerly assigned to the Florida Secretary of State). The public-private partnership of Enterprise Florida, Inc. (EFI), which has a private-sector board lead by the Governor as its Chairman, fall under the umbrella of OTTED. The EFI Vice Chair is always a private-sector business leader. Enterprise Florida, Inc. is funded by state funds that are funneled through OTTED, as well as by private-sector contributions. The Governor, Senate President, and Speaker of the House appoint members to serve on the Board. EFI also maintains a sizable At-Large Board membership (which is secured through an annual due payable to EFI). The President of EFI reports to the Board Chair. Enterprise Florida, Inc. is divided into several divisions. The International Trade and Business Development Division is principally focused on attracting foreign investment, providing export development assistance, marketing the state internationally, investigating key global markets for Florida to compete in and market itself to, leading well organized Team Florida trade missions, and hosting reverse trade missions of international business leaders and diplomats. The EFI International Division is also very active in export development programs in the state, whereby it provides export assistance and counseling to entrepreneurs, as well as training local economic development organizations throughout Florida on how to best build and/or enhance their local-regional trade and export programming.

#### **Case Example: Texas Governor's International Business & Recruitment (IBR) Program**

The Office of Governor Rick Perry and his International Business & Recruitment (IBR) Program lead international trade development in Texas. Part of a larger economic development office encompassing domestic expansion & recruitment, small business assistance, and industry data center, the IBR Program provides assistance to build export capacity and attract foreign direct investment. The Program is set up to help Texas companies expand into foreign markets and to assist with recruiting foreign companies to

Texas. Companies are encouraged to broaden their scope worldwide, and are provided with a method for doing so.

The IBR gives Texas companies the opportunity to promote their products and services to international buyers and partners through trade missions, trade shows, seminars and inbound foreign investment and buyer missions. The Program connects companies with trade counseling and training programs available through the International Small Business Development Centers and U.S. Department of Commerce Export Assistance Centers. In turn, the IBR works with entities such as the U.S. Department of Commerce, U.S. Commercial Service Export Assistance Centers, the Small Business Development Centers, the Texas consular corps, and with its counterpart in the State of Texas - NAFTA Office in Mexico City to ensure that Texas companies are represented abroad.

The IBR markets the State of Texas as a business location through activities which include attending trade shows and trade missions, conferences and preparing and organizing seminars - both nationally and internationally. These program activities, coupled with strategic partnerships between communities, businesses, and other local, state and federal agencies, play a key role in how IBR markets Texas. The main goal of these activities is to boost foreign direct investment and job creation in Texas.

Through related activities such as trade missions, recruiting missions and *Invest in Texas* seminars, the IBR Program seeks to generate trade and investment leads, which will later be disseminated among Texas companies, communities and regional allies accordingly. In turn, the IBR Office is very proactive in the negotiation and signing of legal instruments with foreign governments and agencies that will provide the grounds for other countries to actively collaborate with the State of Texas in the strengthening and mutual cooperation of trade related activities.

***D. Strategic Planning and Setting Objectives: A Third Fundamental Factor for Steadily Increasing Louisiana-Latin America Commercial Relations***

With strong leadership at the top setting vision and priority for international trade promotion, and with a lead entity in place that is responsible for coordinating and implementing the statewide international trade and investment efforts, **the next essential factor to success is creating a fluid strategic plan which both captures the fundamental strengths of a state in terms of its marketability, as well as where it must focus to compete strategically in the future.** Such a planning process must include a thorough and honest evaluation of a state's strength industries, export capacities, and the relative sophistication of its existing programs and resources to build increased capacity.

It is critical for a state to understand which strength industries and workforce assets it has to offer, and which would prove most attractive to potential trade partners. **States should carefully consider their industry sector strengths and advantages, as compared to other states with similar sector strengths**, to determine if that strength would be a true and appropriate market niche for them to compete internationally. Such an industry sector analysis is also important in the identification of appropriate international markets in which to focus trade missions, marketing efforts, and perhaps eventually, permanent or contracted international office representation on location in the host country.

A state's strategy must also take into consideration its relative infrastructure system, and whether that system can facilitate or impede worldwide connectivity. Worldwide connectivity would be measured by those factors that facilitate or hamper ease of international travel and commerce: essentially, how easy is it to connect to, enter in, and maneuver throughout your state from the world. As such, a state's airport, seaport, rail and highway system, and communications infrastructure – and how they all interact inter-modally – are critically important and must be examined in a strategic planning process to determine if they require attention going forward to promote global competitiveness.

#### **Case Example: The State of Georgia-Latin American Strategy**

The State of Georgia has used its worldwide connectivity, in large part through the Atlanta International Airport, the strong presence of Delta Airlines, and the state's key eastern seaboard ports to compete directly with Florida and other states on an international scale, with a specific target of becoming a key player in Latin America. This is certainly the case in Georgia's strategic goal and aggressive efforts to capture a major share of Florida's traditional Latin American trade market. In fact, at one point, both Georgia and Florida had dubbed themselves as the "Gateway to the Americas," prompting the State of Florida to copyright the title for its exclusive use. The State of Georgia has since altered its titular claim, touting that *"Georgia stands at the crossroads of the Americas with the world's busiest passenger airport, two deepwater ports, and the most extensive surface transportation network in the country. In 2008, \$25.4 billion in exports and \$61.8 billion in imports passed through these ports, making us the 13th-largest export state and 11th-largest import state in the U.S."*<sup>1</sup> Georgia has prioritized the enhancement of its overall infrastructure system to place it on a world stage, and it has used its impressive infrastructure to attract major international conferences and diplomatic forums, while fostering close relationships with its consular corps in an effort to showcase its global attractiveness and worldwide connectivity.

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<sup>1</sup> Source: Georgia Department of Economic Development, 2009

Beyond industry and infrastructure and international trade and investment, the strategic plan should consider the demographic strengths and geographic proximity of a state when determining markets of promise for it to conduct trade and seek foreign direct investment. For example, sitting on the Pacific Rim with a long tradition of welcoming Asian nationals to its university system, workforce, and overall population, California possesses the exceptional opportunity to tap into those growing Asian markets. Due to its geographic proximity and cultural and linguistic demographic base, California is provided excellent trade and export market opportunities with its neighbors to the East. The same holds true for Florida and its uniquely diverse Spanish-speaking population base. **Such cultural and linguistic demographics, coupled with a geographic proximity close to Latin America and the Caribbean, offer distinctly promising international trade and investment marketing opportunities for Louisiana as well.**

The strategic plan should not be all things to all bodies but, again, an honest and thorough analysis of where a state's strengths lie, and where it wants to compete in the international arena. It should enumerate realistic objectives to meet strategic trade and investment goals, and identify strategies to overcome barriers to success where they exist.

#### **Case Example: State of Alabama Trade and Foreign Direct Investment Strategy**

**Annually, Governor Bob Riley issues the State of Alabama Trade Strategy as prepared by the Governor's Alabama Development Office in coordination with the Export Alabama Alliance** (a business executive association). Building on its findings, the Strategy provides numerous opportunities, updated on an annual basis, for Alabama companies to build sustainable relationships throughout the world, as well as opportunities to educate local leaders on the impact of trade. Louisiana should consider developing such a comprehensive strategy, which includes steps to attract both trade and investment.

Alabama posits that the key to economic growth of its small and medium-sized businesses lies in exports – as smaller companies engaged in international business are considered more stable, achieve higher growth rates, and pay higher wages in comparison to their counterparts who only sell domestically. Alabama focuses on “home-grown” companies, with particular emphasis on minority- and women-owned businesses. Its goal is to gain a competitive international business edge through the promotion of export growth.

While some states have a multi-pronged focus for its international strategy, **Alabama has opted for its international program focus to be more of a singular, export-led growth**



strategy that seeks to foster more cooperation between stakeholders and leverage the capabilities of each Export Alabama Alliance member. **The Export Alabama Alliance program** embraces the usual markets for American products and services, but goes further by identifying countries with potential to do more trade with U.S. companies. Since 2004 under Governor Riley’s leadership, Alabama exports have increased 60 percent, to more than \$14 billion. The number of Alabama companies involved in exports has increased as well, reaching a total of more than 3,000. They sell their products and services in 188 countries around the world.

In 2008, the Governor’s Trade Strategy set forth goals and action items to provide producers of Alabama’s goods and services with assistance and opportunities to export their products, to use advanced technology, and to thrive in the global marketplace.

The Governor’s strategy has concentrated on emerging economies with high growth rates and countries engaged in free trade agreements with the United States. These also parallel the U.S. Department of Commerce’s strategic initiatives, and they are markets where Alabama exporters have greater assistance in navigating significant hurdles in doing business. Focus is being paid to growing Alabama’s trade relationships with the economic powerhouse of China; Chile and Argentina which are Alabama’s neighbors to the South; and South Africa and Turkey, two new growth markets for Alabama. These markets offer new commercial opportunities and targeted export activities that encompass growing international business opportunities for companies in Alabama.

To build Alabama’s economy in 2008, the state’s strategic plan laid out a series of specific objectives as outlined below<sup>2</sup>. Some of these specific objectives can also be customized from a Louisiana perspective. The specific objectives that could be considered by Louisiana in implementation are marked by a check (✓) in the diagram below.

<b>A ✓</b>	Implement Governor-led business development and trade missions to China and South America. Trade missions, led by the Governor and/or key state leaders, will continue to open doors to key decision makers for exporters in Alabama’s mature and new and emerging export markets. These government-led missions attract strong international interest, advancing Alabama’s global export profile.
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<sup>2</sup>Source: ADO; Export Alabama Alliance; 2008 Alabama Trade Strategy.



<b>B</b>	Develop a trade strategy to correlate with the new Southeast U.S.-Canada organization established in 2007 with the goal of presenting an opportunity for businesses to enhance commercial exchanges, promote two-way investment, and encourage technological and scientific exchanges between and among the States and Provinces. Key provinces include Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, and Québec.
<b>C</b>	Explore establishing an economic development office in India, one of the world's fastest growing economies to position Alabama in key sectoral markets within India: Mumbai, Bangalore, Hyderabad and New Delhi.
<b>D</b>	Forge ahead with long-term market access strategies in China. The Chinese market is the second-largest global economy after the U.S. and is the state's third largest export market. China is rapidly becoming urbanized, and the growing disposable income has made this market increasingly attractive to the state's exporters in such areas as chemicals, machinery, bio-technology, and construction equipment.
<b>E</b>	Augment the export strategy for Korea, Japan and Europe, where the State has representation. These existing offices can provide Alabama businesses with knowledge on regulations and intelligence on emerging opportunities.
<b>F</b>	Engage the biotechnology industry in all international activities, focusing on assistance to capitalize on export opportunities. Support will include export collaboration particularly in China and India, and promotion of the Hudson Alpha Institute of Biotechnology (HAIB) throughout the world.
<b>G</b>	Prepare Alabama businesses for trade missions to South America and East Asia.
<b>H</b>	Continue to expand export opportunities to new markets. Undertake export studies on markets in the Middle East, particularly the UAE and Dubai.
<b>I</b> ✓	Foster global networks and develop strategic partnerships with consular and trade commission offices, including offices in the United States.
<b>J</b> ✓	Partner with export allies to help exporters gain access to government programs providing export financing.
<b>K</b> ✓	Host business delegations from Central America to promote Alabama commerce and extend global network opportunities for Alabama companies and organizations.
<b>L</b> ✓	Support manufacturing export growth in countries with which the United States has free trade agreements, leveraging off improved market access. Support forthcoming free trade agreements that are undertaken by the U.S. <i>(In the case of Louisiana, the targets are Mexico, Central America, Dominican Republic, Peru, Chile, Panama and Colombia.)</i>

<b>M</b> ✓	Coordinate and conduct programs and workshops with federal government resources, i.e. Small Business Administration (SBA), U.S. Department of Commerce (USDOC), Department of State (DOS), Department of Agriculture (DOA), Overseas Private Investment Corporation (OPIC), Export-Import Bank (EXIM) and others.
<b>N</b> ✓	Conduct business seminars and develop market intelligence for Alabama companies on doing business in Latin America.
<b>O</b> ✓	Continue recognition of Alabama exporters through the Governor's Trade Excellence Award program. The annual Governor's Trade Excellence Award Ceremony and Luncheon is fast becoming a key event for exporters and an excellent venue to promote the benefits of exports to the state at large. The initiative encourages and touts other business awards given throughout the state by regional and local trade allies.
<b>P</b> ✓	Develop articles on trade and foreign investment and deliver to local chambers of commerce and economic development agencies for publication.
<b>Q</b> ✓	Implement an email list serve and include public and private leaders. Providing these individuals with notification of the Trade Alliance programs, seminars and conferences will make them aware of the opportunities available to businesses in their communities
<b>R</b>	Support and promote the new container port at the Alabama State Docks.
<b>S</b>	Support and promote the Hudson Alpha Institute of Biotechnology.
<b>T</b> ✓	Integrate export information and services into a new export portal on the Alabama Development Office's website which will serve to provide Alabama companies and foreign buyers and foreign investors with current data on key markets and industries.
<b>U</b> ✓	Plan and implement an appropriate marketing plan to educate local businesses on the values and opportunities in foreign direct investment and international trade. Part of this would include showing, statewide, the number of jobs and economic impacts derived from FDI and international trade activities.

***E. Focused Marketing, Missions and Global Recognition: Another Fundamental Factor for Success of a Louisiana-Latin America Commercial Effort***

Building global trade relationships while getting the word out on what a state has to offer on an international playing field is probably the most commonly shared strategy by states across the nation. Most states seek to market themselves through attending trade shows and trade missions, conferences, and preparing and organizing seminars – locally, nationally, and

internationally. **Hosting reverse investment missions of international business leaders and diplomats is also an increasingly effective tool, especially as Louisiana reintroduces itself as a key business player in the Americas.** Establishment of international offices in nations that offer considerable market potential for a state is also another way to increase global visibility, trade relationships, and tourism prospects. In Louisiana's case, these offices could be established in Mexico, Brazil and one of the Central American countries. From these offices, a number of markets can be covered. Certainly, trade missions to other nations are among the most effective ways for a state to highlight its business opportunities, to investigate trade opportunities in the host country, and to spur new and long lasting relationships that can prove fruitful far post mission. Trade missions are an excellent way for "lesser known" states to place themselves on the map with a host nation.

**In turn, trade missions are most effective when led by the Governor as the head of state and top business executives whom are well-versed in the countries where the mission is visiting. The Governor of Louisiana's leadership is important for several reasons.** First, it tends to drive the state's delegation to be a significantly higher-level cadre of business leaders than if it were led by a lower ranking state official or economic development leader. Secondly, and perhaps more importantly, missions led by the Governor garner significantly more legitimacy to the group and its objectives as it is perceived to be a top priority of the state by the host nation and their business counterparts. By the head of state leading the trade mission, it signifies to the host nation that it is important, that trade and diplomatic relationship building with that nation is a state priority, and that the representatives of the state delegation share the same priority. The quality of the state delegation, in turn, attracts a similar quality of business counterpart for which the delegation can interact with during the mission.

In Florida, high-level, high-visibility trade and investment development initiatives are led by the Governor of the State and are part of an aggressive global recruitment and trade development strategy. Dubbed Team Florida Missions, these Enterprise Florida (EFI) initiatives bring Florida business, government, and economic development leaders together with high-level contacts in target markets to promote the Florida "brand" and conduct one-on-one business meetings with local companies. The purpose of these high-level visits is to enter or expand in that particular market. Louisiana should develop specific Governor-led missions.

Additionally, Enterprise Florida maintains an extensive schedule of overseas trade missions and exhibitions worldwide that are not led by the Governor but rather by a senior member of EFI or its Board. Export Sales Missions, for example, are professionally planned and feature

one-on-one appointments with potential business partners overseas. Companies can showcase their products at a number of leading global exhibitions that focus on high-tech industries such as Aviation/Aerospace, Information and Communications Technology, and Life Sciences. Lower-cost catalog shows are also offered, particularly in selected Asian markets.

An excellent effort to build consular corp (diplomatic) relationships is found in the State of Georgia's VIP Tour. Supported by Governor Sonny Perdue, each year the State of Georgia invites a cadre of top diplomatic and business officials to visit and tour its state. In its 23<sup>rd</sup> year, Georgia recently hosted close to 20 country representatives for its annual VIP Tour. Participants hailed from Albania, Australia, Austria, Brazil, Canada, Costa Rica, Czech Republic, Ecuador, France, Germany, Japan, Korea, Liechtenstein, Lithuania, Nigeria, Philippines, Slovenia, Switzerland and Taiwan.<sup>3</sup> The VIP Tour showcases destinations, businesses, educational institutions and economic development partnerships in various parts of Georgia. It combines travel destinations with significant economic development projects and interaction with local business leaders to enable the state's diplomatic corps to meet Georgians in their own communities.

With such an understanding of the state, the diplomatic corps become knowledgeable spokespersons (if not outright advocates) for the value that Georgia can bring to their home-country companies. The Tour also offers communities the opportunity to establish relationships with international business and diplomatic representatives.

#### ***F. Toolkit to Support Exports and Attract Investment***

A promising best practice initiative recently launched in Florida by Governor Charlie Crist and Enterprise Florida, Inc. (of which he is the Chairman), is the Florida International Stimulus Program to help accelerate the state's economy by further strengthening international trade and foreign direct investment. Over one million jobs in the state are supported by exports of goods and services and employment by foreign-owned companies. To ensure that Florida businesses and communities have the tools they need to remain globally competitive, these four initiatives are designed to increase international trade activity for Florida exporters and generate potential foreign investment leads for the state's communities.

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<sup>3</sup>Source: Georgia Department of Economic Development, 2009)

#### 1) First Sourcing Program

Enterprise Florida will increase business interaction among Florida companies by helping Florida exporters identify in-state suppliers for their export needs. A first for Florida, the program will promote in-state business by encouraging Florida trading companies and purchasing agents to buy products to fill their export orders from Florida, rather than from other states. Enterprise Florida will use its proven trade leads program and staff resources to administer the program.

#### 2) Target Sector Trade Grants

Target Sector Trade Grants will be awarded to eligible small and medium-sized companies on a reimbursable basis to enable them to participate in Enterprise Florida trade shows and select U.S. certified trade exhibitions in target sectors. Eligible recipients include manufacturers, R&D companies, and technology services providers in targeted industries, including: aviation/aerospace; clean energy; financial & professional services; homeland security & defense; information technology; life sciences; and targeted manufacturing, including the boating/marine sector. In addition to Target Sector Trade Grants, Enterprise Florida offers a variety of export programs and services to Florida companies through its network of trade offices around the state.

#### 3) International Development Network Training

Enterprise Florida provides customized training on international trade and business development practices to economic development organizations serving small- and mid-sized communities around the state. By enhancing their international development capacity, economic development organizations will be able to better support local companies engaged in international business and more effectively attract foreign direct investment to their regions.

#### 4) First Foreign Direct Investment (FDI) Initiative

Governor Crist and Enterprise Florida are working with leading business organizations and associations across the state to identify foreign direct investment leads with the greatest job-creation potential. Senior executives are being asked to help promote Florida as a business location to companies overseas, and to refer investment leads to Enterprise Florida. To expedite the process, Enterprise Florida has established a telephone hotline and an email address so that Florida senior business executives can refer these leads directly to an international development specialist. Enterprise Florida can show companies why they

should consider investing in the state, as well as the many international advantages of doing business in Florida.

The FDI initiative, customized to Louisiana industries in targeted sectors such as energy, manufacturing, knowledge services like healthcare and agro products, holds significant potential. This is specifically the case when such an initiative is aimed at key countries like Mexico, Brazil, Chile, Peru and Colombia. These countries exhibit significant FDI and trade potential for Louisiana.

### III. IDENTIFYING LATIN AMERICA MARKET DEVELOPMENTS AND SPECIFIC OPPORTUNITIES FOR THE EXPANSION OF LOUISIANA TRADE AND FOREIGN DIRECT INVESTMENT

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#### A. Overview

The Latin American marketplace for the expansion of commercial relations by Louisiana is large and growing. The table below shows key indicators of this potential market.

Countries	Population (Millions)	GDP (\$ Millions)	GDP Growth	Louisiana Exports (\$ Thousands)	U.S. FDI Flows
Mexico	105.3	\$1,022.1	3.2%	\$2,830,403	\$16,430
Colombia	46.1	\$202.9	8.2%	\$856,731	\$8,658
Panama	3.3	\$19.7	8.0%	\$627,336	\$1,825
Brazil	191.6	\$1,268.5	4.8%	\$609,125	\$27,518
Guatemala	13.4	\$33.4	4.3%	\$601,090	\$658
Dominican Republic	9.8	\$41.0	5.5%	\$596,376	\$1,698
Venezuela	27.5	\$228.1	6.0%	\$448,165	-\$3,200
Costa Rica	4.5	\$26.2	4.3%	\$381,816	\$1,661
Honduras	7.1	\$12.2	4.5%	\$351,911	\$815
Peru	27.9	\$107.1	8.3%	\$347,657	\$5,343
<b>Total</b>	<b>436.5</b>	<b>\$2,961.2</b>		<b>\$7,650,609</b>	<b>\$61,406</b>

*Sources: The World Bank, United Nations ECLAC, Trade Stats Exports and The Washington Economics Group, Inc. All are latest figures. GDP Growth is 2008.*

However, even though market potential is large, successfully developing a solid foundation for steady increases in trade and investment flows from Louisiana over time requires market segmentation and a keen understanding of business trends in this growing, but highly competitive region of the Americas.

#### B. A Market Segmentation Approach to Business Development in Latin America

To succeed in steadily increasing Louisiana-Latin America trade and direct investment relationships, it is essential to follow the strategic marketing concepts enumerated below:

1. The Latin America region is too large and heterogeneous to be classified as a marketplace for business development. A successful commercial development program by Louisiana must be country- and/or region-specific. For example, business practices, economic

structure, and language are quite different in Brazil, relative to the Dominican Republic-Central American Free Trade Agreement with the United States (DR-CAFTA).

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**Market Concept #1:**

**Louisiana-Latin America market strategy must be country and/or region-specific to succeed, starting with specific country markets that offer the highest possibilities of success.**

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2. The term “commercial relations” is too broad to be useful as a successful strategy in such a large region composed of numerous countries. Some countries in Latin America offer specific opportunities for exports and imports through Louisiana’s vast port system. Other countries offer greater opportunities to attract capital investments into Louisiana and to produce goods and services (FDI) for re-export or for distribution to other U.S. states.

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**Market Concept #2**

**The strategy must emphasize a key component for successful market development. For example:**

- a) **Trade Strategy Emphasis** (exports-imports from Louisiana)
  - b) **Foreign Direct Investment** (establishment of Latin American companies in Louisiana)
- 

3. A critical concept in understanding how to build a solid foundation for growth in Louisiana-Latin America business activities (Trade and FDI) is to assess the business imperatives of the corporations in this competitive region of the Americas. **These corporations must be viewed as potential commercial partners as opposed to simply a vast consumer marketplace to purchase Louisiana goods and services.** To develop such a lasting partnership, it is important to consider four principal macro-forces impacting the performance of Latin American corporations and higher-income individuals.

In essence, it is important to understand the needs of countries and companies targeted for development by Louisiana. The diagram on the next page highlights **four key imperatives** impacting the competitiveness of Latin American corporations in the global economy.



## **Global Business Trends Impacting Competitiveness of Latin American Corporations**



**Louisiana's trade and FDI relations strategy with  
Latin America must be driven by the above business  
imperatives to be successful over time**

### Speed-to-Final Market Requirements

In the fast-moving global marketplace, “speed” to deliver goods and services to the final purchaser (client) is critical to success. In the 21<sup>st</sup> Century economy, “speed-to-market” is a strong corporate imperative.

Louisiana offers significant attributes to Latin American corporations by its ability to deliver goods and services effectively to America’s “Heartland.” In essence, the modernization of ports, airports, and the efficient use of the Mississippi River and transportation system must be part of a comprehensive strategy to increase trade and capital investment flows between Louisiana and Latin America. This requirement is essential for a sustained and successful Latin American drive by the state.

### The Supply Chain Imperative

Competitive Latin American corporations utilize supply chain processes to reduce costs and deliver value to their clients. Therefore, the appropriate business strategy for Louisiana is to identify key components of the supply chain of targeted corporations where a Louisiana-based product or service could improve the efficiency of selected Latin American corporations targeted for cultivation. Examples of such are:

1. Sophisticated, modern logistics to distribute a product or service to the final user.
2. Producing the high-value added component of a product or service in Louisiana, while the Latin American corporation concentrates on the more labor-intensive component of the product or service.
3. Providing tertiary healthcare (“key man” policy) to top employees of Latin American businesses utilizing the healthcare services of Louisiana.
4. Providing the R&D component for a product or service, utilizing the well-known higher education system of Louisiana.

### The Drive to Export for Earning “Hard” Currencies

Expanding Latin American companies, increasingly emphasize the ability to tap global financial markets to invest in expansion plans. To succeed in such a strategy, these companies require the generation of “hard” currencies, such as the U.S. dollar, to service debt and to receive investment grade ratings from global-rating agencies. Therefore, as a key component, the Louisiana Strategy must include the financing of exports and imports of these companies and the ability to develop, jointly with Louisiana-based companies, the vast consumer marketplace of the U.S.

### The Market Integration Necessity

A Louisiana location to produce goods and services by Latin American companies, would allow these entities, in partnership with Louisiana corporations, to develop not only the rich American “Heartland” consumer and business markets, **but also the countries in which the United States have Free Trade Agreements in the Hemisphere.** Examples are as follows:

1. **Brazilian companies** interested in expanding (duty free) in Mexico or Canada, could set up production subsidiaries in Louisiana to service these markets through the commercial benefits of the North American Free Trade Agreement (NAFTA).
2. **Chilean companies** interested in developing the Central American market could invest and produce in Louisiana to cater to the CAFTA countries, receiving all of the trade benefits accruing to a U.S. corporation through the Free Trade Agreement.
3. **Mexican companies** interested in market expansion in Peru, could do so efficiently through a Louisiana presence, given the recently-implemented U.S.-Peru Free Trade Agreement.

In conclusion, by utilizing the corporate imperatives presented, a sophisticated and targeted approach to Louisiana-Latin America trade and investment would have a much greater chance of success than simply following the “old economy” approach of selling (exporting) and buying (importing), without consideration of a “partnering” approach based on business requirements of Latin American companies. There is an old business adage: *“Know your clients’ needs, help them to meet those needs, and.....succeed!”*

### ***C. A Market Profile of Targeted Countries in Latin America for Louisiana***

The following countries in the region were selected for a targeted approach by Louisiana to steadily increase trade and investment flows with the growing region. The targeted countries were examined closely for inclusion, based on the following criteria:

1. Potential for attracting Foreign Direct Investment (FDI) into Louisiana, given the relatively large number and sophistication of an increasingly global-oriented corporate base.
2. Satisfactory country risk factors due to improving economic policies and modernization of democratic institutions. This factor excludes Venezuela. Despite a large energy and corporate base, Venezuela was left out due to the weaknesses of democratic institutions under President Hugo Chavez.
3. A growing middle class of consumers and an expanding cohort of high-income groups, made up of entrepreneurs and professionals.
4. The degree of competition from other states and other developed countries.

**MEXICO Market Profile:  
The Top Target for Enhanced FDI and Trade Relations**

<u><i>Market Size</i></u>	
Gross Domestic Product (\$ Trillion).....	\$1.1
Disposable Personal Income (\$Trillion).....	\$1.0
Total Population (Millions).....	106
<u><i>Key Industries</i></u>	
<b>Manufacturing</b> ..... (food and beverages, tobacco, chemicals, iron and steel, petroleum, mining, textiles, clothing, motor vehicles, consumer durables)	34%
<b>Services</b> ..... (commerce and tourism, financial services, transportation & communications)	62%
<b>Agriculture</b> ..... (corn, wheat, soybeans, rice, beans, cotton, coffee, fruit, tomatoes, beef, poultry, dairy products, wood products)	4%
<u><i>Trade Investment</i></u>	
Exports (\$ Billions).....	\$305
Imports (\$ Billions).....	\$320
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$20
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Mexico is closely integrated with the U.S. and Canada through the mature North American Free Trade Agreement (NAFTA).
- The Mexican corporate sector is large and sophisticated, centered in the State of *Nuevo Leon (Monterrey)*.
- Mexican corporations are looking for alternatives to generate trade and production activities, away from the crowded and increasingly violent border with California and Texas.
- Therefore, Mexico offers significant potential for an enhanced Louisiana commercial effort.

**BRAZIL Market Profile:**  
**A Large Market for FDI, but with a High Degree of Competition**  
**from U.S. States, Europe and Asia**

<u>Market Size</u>	
Gross Domestic Product (\$ Trillion).....	\$1.6
Disposable Personal Income (\$Trillion).....	\$1.3
Total Population (Millions).....	192
<u>Key Industries</u>	
<b>Manufacturing</b> ..... (commercial aircraft, chemicals, petrochemicals, footwear, machinery, motors, vehicles, auto parts, consumer durables, cement, lumber)	29%
<b>Services</b> ..... (mail, telecommunications, banking, energy, commerce and computing)	66%
<b>Agriculture</b> ..... (coffee, soybeans, sugarcane, cocoa, rice, livestock, corn, oranges, cotton, wheat and tobacco)	6%
<u>Trade Investment</u>	
Exports (\$ Billions).....	\$199
Imports (\$ Billions).....	\$173
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$20
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Brazil is one of the top emerging economies of the world, with a 21<sup>st</sup> Century corporate sector.
- It is a key market for FDI attraction by Louisiana and for importation of products for distribution to the U.S. “Heartland.”
- Brazil is a difficult market to penetrate and expand given the highly competitive global orientation of the large corporate community.
- A highly selective approach to FDI and trade is recommended.

**ARGENTINA Market Profile:**  
**There are Consumer Export Opportunities and FDI Promotion Possibilities**

<u><i>Market Size</i></u>	
Gross Domestic Product (\$ Billions).....	\$326
Disposable Personal Income (\$Billions).....	\$257
Total Population (Millions).....	42
<u><i>Key Industries</i></u>	
<b>Manufacturing</b> ..... (food processing, oil refining, machinery and equipment, textiles, chemicals and petrochemicals)	23%
<b>Agriculture</b> ..... (oil seeds and by-products, grains, livestock products)	8%
<u><i>Trade Investment</i></u>	
Exports (\$ Billions).....	\$73
Imports (\$ Billions).....	\$55
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$5
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Argentina has a large and highly competitive corporate sector, especially agro-industries and energy-related corporations.
- There are opportunities in these industries for Joint Ventures with Louisiana companies, especially in the agro-industry and energy sectors. However, these opportunities are limited due to the geographic distance from Louisiana and Argentina's preference for the European Union as a partner.
- The Argentinean economy is also volatile, so country risk factors must be monitored on an ongoing basis.

**COLOMBIA Market Profile:  
An Important Market to Target for FDI and Trade**

<u><i>Market Size</i></u>	
Gross Domestic Product (\$ Billions).....	\$241
Disposable Personal Income (\$Billions).....	\$203
Total Population (Millions).....	49
<u><i>Key Industries</i></u>	
<b>Manufacturing</b> ..... (textiles, garments, footwear, chemicals, metal product, cement, cardboard containers, plastic resins and manufacturers, beverages, wood products, pharmaceuticals, machinery, electrical equipment)	37%
<b>Services</b> ..... (financial services, commerce, transportation and communications, construction and public works, mining and quarrying, electricity and water)	54%
<b>Agriculture</b> ..... (corn, wheat, soybeans, rice, beans, cotton, coffee, fruit, tomatoes, beef, poultry, dairy products, wood products)	9%
<u><i>Trade Investment</i></u>	
Exports (\$ Billions).....	\$38
Imports (\$ Billions).....	\$36
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$9
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Colombia has a large and sophisticated corporate sector, with a growing economy and increasing political stability under President *Alvaro Uribe*.
- While the Colombia-U.S. Free Trade Agreement has yet to be ratified by the U.S. Congress, the country enjoys preferential U.S. market access for many of its products through the Andean Trade Preference Act.
- Colombia has a sophisticated agro-industry, mining and energy sector that fits well with Louisiana's corporate structure.
- The country has traditionally favored Florida for business relationships, but Louisiana is starting to be an important state for FDI and trade. There is significant room to accelerate the relationship.

**CHILE Market Profile:**  
**A Highly Selective and Targeted Approach is Recommended**

<u><i>Market Size</i></u>	
Gross Domestic Product (\$ Billions).....	\$170
Disposable Personal Income (\$Billions).....	\$149
Total Population (Millions).....	17
<u><i>Key Industries</i></u>	
<b>Manufacturing</b> ..... (mineral, refining, metal manufacturing, food and fish processing, paper and wood products, finished textiles, iron, copper, ore, nitrates, precious metals, molybdenum)	30%
<b>Services</b> ..... (sales, restaurants, hotels, electricity, gas, water, construction)	38%
<b>Agriculture</b> ..... (wheat, potatoes, corn, sugar, beets, onions, beans, fruits, livestock, fish )	6%
<u><i>Trade Investment</i></u>	
Exports (\$ Billions).....	\$68
Imports (\$ Billions).....	\$58
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$11
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Chile is a relatively small economy, but has a sophisticated corporate sector that has enjoyed years of industrial growth.
- The marketplace for Louisiana both in terms of FDI attraction and trade enhancement offers limited possibilities due to the high level of global competition for the Chilean consumer “wallet,” and to the endless possibilities for investments by country-based corporations.
- Nevertheless, there are selective opportunities for Louisiana FDI attraction, especially of Chilean companies interested in logistics services to reach the growing “Heartland” market of the U.S. under the Free Trade Agreement.



**PERU Market Profile:  
A Growing Economy Looking for a U.S. State Partner**

<u><i>Market Size</i></u>	
Gross Domestic Product (\$ Billions).....	\$128
Disposable Personal Income (\$Billions).....	\$101
Total Population (Millions)	29
<u><i>Key Industries</i></u>	
<b>Manufacturing</b> ..... (food and beverages, textiles and apparel, nonferrous and precious metals, nonmetallic minerals, petroleum refining, paper, chemicals iron and steel, fishmeal)	22%
<b>Services</b> ..... (mining, construction, tourism, fisheries)	38%
<b>Agriculture</b> ..... (wheat, potatoes, corn, sugar, beets, onions, beans, fruits, livestock, fish )	8%
<u><i>Trade Investment</i></u>	
Exports (\$ Billions).....	\$32
Imports (\$ Billions).....	\$20
Net New Foreign Direct Investment in 2008 (\$ Billions).....	\$7
<i>Sources: International Monetary Fund, U.S. Department of State, and United Nations-Economic Commission for Latin America and the Caribbean (ECLAC).</i>	

- Because of the recent Peru-U.S. Free Trade Agreement, the country’s private sector is still in search of a U.S. state partner, beyond the “usual” states like Florida and Texas. This offers a unique “New-to-Market” opportunity for Louisiana.
- Compared to Mexico or Brazil, the Peruvian economy is relatively small, but growing fast.
- However, Peru has a sophisticated corporate sector around the Lima Region, and is a top mining and agro-industry producer.
- These characteristics offer opportunities for Louisiana to enter the market and become Peru’s top state partner through an initial trade and investment mission led by the Governor.

#### IV. LOUISIANA STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (S.W.O.T.) TO EXPAND INVESTMENT AND TRADE RELATIONS WITH LATIN AMERICA

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##### A. *Overview*

During the first year (12 months) of the project, The Washington Economics Group, Inc. (WEG) consultants conducted a number of visits throughout regions of Louisiana with top governmental, higher education, business and trade association leaders of the state. These site visits were conducted in various regions of Louisiana with the objective of undertaking a S.W.O.T. analysis that would facilitate the development of a comprehensive strategy for steadily increasing Louisiana-Latin America investment and trade relations. The dates of the visits to the state, the agenda for each trip as well as most names of the individuals and institutions visited by the consulting team, in collaboration with the Louisiana Economic Development Department and the Louisiana Committee for Economic Development, are included in Appendix I of this Study.

##### B. *Methodology*

An S.W.O.T. analysis is a strategic assessment technique used to determine the **Strengths, Weaknesses, Opportunities and Threats** of a given entity or activity in a proposed situation. In this case, the consultants surveyed the opinions of Louisiana public and private executives in New Orleans, Baton Rouge, and Lake Charles as well as throughout the state via electronic communications. In an effort to specify strategic issues that will be used in the development of the Louisiana strategic and tactical “Road Map” to increase business with Latin America (see Section V), a S.W.O.T. analysis was prepared by consultants and distributed to all participants. The S.W.O.T. questionnaire is presented in Appendix II of this Study.

The individuals taking part in the interview and S.W.O.T. analysis included trade professionals, civic leaders, foreign investors in Louisiana and top business executives from throughout the state. WEG developed the S.W.O.T. analysis matrix to identify and measure the internal and external factors that are favorable and unfavorable to achieving the strategic goal of increasing commercial relations (trade and direct investment) with targeted Latin American countries, over a period of time.

Matching the **Strengths** with the **Opportunities** available to the State serves as a basis to assess the competitive advantages of Louisiana in the Latin America region. Comparatively,

the **Weaknesses** and **Threats** defined by the S.W.O.T. analysis can serve as a basis for remedial action or re-direction of efforts in building commercial relations with top industries and individuals of key countries in Latin America. This includes the attraction of jobs generating Direct Investments from Latin American companies into Louisiana for manufacturing, distribution of products or the generation of services, among other possibilities, to the “Heartland” of America.

Although the findings of the S.W.O.T. analysis are non-scientific, the S.W.O.T. assessments provide a general gauge of the significant internal and external factors facing the state in its effort to build commercial relations with Latin America, **as viewed from the perspective of state experts and leaders**. Displayed in the matrix on the next page are the top (most frequently cited) responses by the individuals with whom the Consultants interviewed and those that returned a completed S.W.O.T. analysis, or communicated via electronic means.

LOUISIANA-LATIN AMERICA S.W.O.T. MATRIX			
POSITIVE TO BUILD ON Strengths		NEGATIVE TO RESOLVE OR MINIMIZE Weaknesses	
INTERNAL	1. Build on New Orleans and Southern Louisiana as the gateway to Latin America and the entry point for the rest of the state.	1. Airports and air travel connectivity need major improvements. This will take time to correct, but it must be a priority objective.	INTERNAL
	2. Strong statewide tourism facilities and culture to attract visitors are in place.	2. Lack of cohesiveness between the state’s ethnic and racial groups and between parishes and cities within the state. Statewide business leadership is essential.	
	3. Strong shipping and port facilities throughout the state (Mississippi inland Ports provide marketplace connectivity with other states).	3. Lack of aggressiveness and fragmentation between local and state officials (statewide vision needed).	
	4. Ideal location for manufacturing and the distribution of goods throughout the U.S. A competitive location for manufacturing and receiving Latin American goods and exporting services such as healthcare.	4. Lack of a skilled workforce in certain knowledge-intensive occupations, including language barriers. An effort to increase numbers of Spanish and Portuguese-speaking residents is critical.	
	5. Strong higher education and research facilities throughout the state (significant presence of Latin American students and large alumni from the region).		
Opportunities		Threats	
EXTERNAL	1. Promote targeted high-end visitor-related industries and capitalize on the strengths of Louisiana’s culture and work ethic.	1. Competition from Florida, Georgia, Alabama and Texas for international business relations with Latin America.	EXTERNAL
	2. Emphasize the geographic proximity and connectivity to Latin America and to the rest of the U.S.	2. Competition from other global hubs like Madrid, Panama City, Sao Paulo.	
	3. Panama Canal expansion/trade possibilities for joint ventures.	3. Lack of organization and cohesiveness from state leaders <b>in terms of building relations with Latin America.</b>	
	4. Petrochemicals and offshore drilling production and exploration (energy).	4. Lack of targeted, aggressive marketing to recruit Latin American companies to Louisiana, as is being done in Alabama, Florida and Texas.	
	5. Influx of Spanish-speaking residents improves the pool of bi-lingual labor/workforce.	5. Lack of a public-private partnership to accomplish the goal (organizational structure to accomplish the goal). Effort could disappear over time without an institutional vehicle.	

Source: Interviews, S.W.O.T Responses from Louisiana Residents, The Washington Economics Group, Inc. February 2009.

- **STRENGTHS to Build Successful and Long-Lasting Louisiana-Latin America Commercial Relations**

Based on the research conducted and the S.W.O.T. responses, it is evident that Louisianans believe that their strategic location and rich cultural heritage provide a foundation for building permanent and growing commercial relations with Latin America. The historical significance of Louisiana's "Latin" culture should be emphasized and built upon in the recruitment of new businesses and in promoting the visitor and other services industries throughout the state. Louisiana's strategic location on the Gulf of Mexico and its ready access to the Mississippi River (a major transportation asset crossing many states), also provide a competitive advantage to the state. This strategic location allows the state to be a strong partner in the manufacturing and distribution of goods and services between Latin America and America's "Heartland," with particular emphasis on states such as Arkansas, Oklahoma, Mississippi, Alabama and Illinois.

- **Short-term WEAKNESSES to Overcome According to the S.W.O.T.**

The neighboring states of Texas, Alabama, Georgia and Florida have well-developed business relationships with Latin America that pose major hurdles for the State of Louisiana in building and competing for business in the region. These competing states have built strong economic development and international relations programs in the recent past. Such ongoing programs have propelled them into leadership positions for attracting and doing business with Latin American companies and individuals. The best practices of each of the mentioned states were discussed at length in Section II of this Study.

The transportation infrastructure of the airports in Louisiana, especially the Louis Armstrong New Orleans International Airport, is also of foremost concern to the residents and businesses that were interviewed in Louisiana. Civic leadership-directed improvements are necessary to address the infrastructure needs of the airports in order to compete effectively with other states for Latin American business. The airport system in the state must be upgraded to provide the adequate routes to and from other major hubs in the U.S. and Latin America. This is essential for Louisiana to become a leader in the 21<sup>st</sup> Century global economy, and to be a major player on the international business and trade landscape. **This sentiment was almost unanimous during the interviews conducted and through the S.W.O.T. analysis.**

In essence, the needs of the New Orleans airport and travelers combined with the realities of the airport's current capacity, provide a significant challenge and present an important hurdle in strengthening the state as a player on the international scene.

- **OPPORTUNITIES for Building a Strong and Lasting Commercial Relationship between Louisiana and the Latin American Region**

The Louisianans interviewed and those that responded to the S.W.O.T. survey felt that the State has significant opportunities to increase commercial relations with Latin America in many areas. Building on the strong elements of the state's productive foundation, such as the visitor, energy, agriculture and healthcare industries, provides Louisiana an important competitive advantage to steadily increase investment and trade flows from the Latin American region. Launching an aggressive marketing campaign for the visitor industry (a statewide effort), for example, by targeting high-income Latin American visitors, could provide significant economic development impacts to the entire state. Many industries throughout the state would benefit from international visitors, such as the hospitality and entertainment industries, the professional sports industry as well as the retail and financial services industries.

Louisiana's close geographical proximity to Latin America and its historical ties with the region, enhances its opportunities to build professional and innovative relationships with individuals and businesses in Latin America. Many respondents felt that direct contacts with Latin American companies and investors through a significant increase in trade and investment missions, is a necessary first step to enhance commercial relations with key countries and individuals of the region.

- **Long-Term THREATS to Overcome or Minimize**

Louisiana is confronted with fundamental threats in its attempt to increase business relations with Latin America. An example of an external threat facing the state and its metropolitan cities is strong competition from other hub cities in the United States such as Miami, Houston and Atlanta. These competing hub cities have been successful in organizing and garnering opportunities in the Latin American market and have excellent air connections. In Latin America, Panama City and Sao Paulo, Brazil also pose a threat as they have become top trade centers. However present these threats are, they do give Louisiana and its public and business leaders a chance to focus on the specific issues that demand addressing. Louisianans interviewed felt that as a top priority, the public, business and civic leadership must create an economic and social environment to attract Latin American companies and high-income individuals to the state, while leveraging on the state's multifaceted attractions and competitive advantages. For example, as Louisiana air connections improve with the region, selected airports could serve as an excellent alternative to crowded Houston and Miami airports.

**Alabama's** activities are a prime example of the aggressive marketing and fiscal incentives that must be taken in order to attract foreign investors and companies to the state. Alabama's state leadership has taken an influential role in marketing the state as a business-friendly, low tax state that is welcoming to both foreign entities and residents. Because of this, Alabama is home to more than 200 internationally based manufacturing companies. Lack of a similar targeted and aggressive business development program designed to recruit foreign investors to Louisiana could prove to be a major disadvantage to the state in the 21<sup>st</sup> Century global economy. This specific threat must be prioritized as goal of the state.

***C. Implications of Interviews and S.W.O.T. Results for a Business-Driven Louisiana-Latin America Strategy: Concluding Observations***

The competitive analysis set forth in the S.W.O.T. matrix developed by the responses from Louisiana public and business leaders serves as an important component for the creation of a comprehensive Louisiana-Latin American Commercial Relations effort. The State of Louisiana can formulate and prioritized strategies that capitalize on its ability to grow those industries that will provide fruitful business opportunities for both the state and its partners in Latin America, while forming long-term strategic alliances with key countries and industries in the region.

**• Principal Recommendations Based on the Interviews and S.W.O.T. Analysis Conducted**

- 1) It is essential for the State of Louisiana, led by the Governor, and supported by statewide business leaders and key civic groups, to create a positive business climate, encompassing economic growth, modern multimodal infrastructure and connectivity with the region via air, maritime and telecommunications services. Fiscal incentives for Latin American companies that produce and trade out of Louisiana should also be considered. This would provide for the initial foundation leading to steady increases in Louisiana-Latin America commercial relations. In essence, a long-term and sustained effort is essential.
- 2) Louisianans interviewed encourage the creation of a public-private partnership, led by the Governor and business leaders, to initiate, implement and manage a Latin America Commercial Strategy on a **permanent and long-term basis**. This entity would work in coordination with the Louisiana Economic Development Department.
- 3) Most individuals interviewed favor creating a comprehensive, but targeted, promotion campaign to attract Latin American investors and visitors, based on the competitive advantages of each region of the state.

- 4) Build upon the strengths of the visitor, energy, agriculture, higher education and healthcare industries of the state by positioning Louisiana as the premier Latin American destination within the mentioned industries and for the manufacturing and distribution of products to the “Heartland” of America. The in-land Mississippi ports are a critical asset to attract Latin American companies interested in manufacturing and marketing on a multi-state level.
- 5) Sustain the Latin America commercial effort over time, not simply a one-time event. Therefore, experts consulted felt that it is essential to institutionalize the effort through a public-private organization specifically tailored to the Latin American effort. The respondents also believe in the need for statewide representation of key industries by business and civic leaders in such an organization. As some respondents stated, “...the effort cannot be perceived as primarily a New Orleans initiative...”
- 6) Improvements in air connections to key cities of Latin America such as Monterrey, Mexico City, Sao Paulo, Rio Janeiro, Bogota and others are critical steps. Almost all respondents stated that statewide support for improving the connectivity of the New Orleans International Airport to key cities in Latin America is essential to a successful effort.

#### **A Final Message**

The S.W.O.T. analysis demonstrates the need for a sustained Latin American-Louisiana commercial effort over a period of time and on a multifaceted front as follows:

- (1) Business climate improvements to attract Latin American Direct Investment into Louisiana.
- (2) Institutionalization of the effort into a public-private partnership.
- (3) Governor and business leadership-led effort on a statewide basis.
- (4) Steady improvements in air transportation, starting with the Louis Armstrong New Orleans International Airport.



## V. A PHASED-IN STRATEGIC AND TACTICAL ROADMAP TO INCREASE BUSINESS WITH LATIN AMERICA: A FOREIGN DIRECT INVESTMENT APPROACH

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### A. Overview

The preceding sections of the Study provided the research results and strategic analysis required for building a sustainable a business development plan for Louisiana in the growing Latin American region of the Americas. This is the primary objective of this section.

The Louisiana-Latin America business development project must be based on sound strategic insights from which to develop the specific tactics (country selection, method of market entry, organizational structure required and specific industries and corporations to target). Another key for successful market expansion is the commitment to a long-term implementation. The strategy and tactics presented in this section are based on a multi-year (phased-in) approach, utilizing the four concepts presented below:

- (1) Increasing the market share of Latin American trade and direct investment flows must be based on strong consensus of its viability and desirability between leadership of the private and public sectors of the State. The development of such a consensus requires the active involvement of the Governor and key business and civic leaders of Louisiana on a statewide basis.

**To achieve the desired goals of this Study, a consensus building program through external relations activities must be implemented during the second year of this project.**

- (2) The Tactical (roadmap) Plan must be highly selective in its approach to increase commercial relations between Louisiana and selected Latin American countries, industries and corporations.

**Tactics must emphasize the “low hanging fruit” opportunities first, based on Louisiana’s competitive industry strengths and key Latin American markets where its products and services are already known.**

- (3) The Louisiana-Latin America commercial effort must be fully integrated into the economic development strategy of the state. This is essential to generate and support the creation of high-wage, high value added jobs through the expansion of Louisiana-Latin America trade and direct investment.

**Trade activity must deepen the “Value Added” of a product or service produced by Louisiana entities, and lead to the attraction of Foreign Direct Investment that generate jobs and income in Louisiana. This approach must be a top tactical component of the Project.**

- (4) A successful initiative must emphasize educational, cultural and visitor exchanges. The human element is critical for building long-term relationships and for sustaining increases in Latin American trade and direct investment.

**Louisiana’s higher education system, cultural attributes and tourism attractions are catalysts to enhance trade and investment relations. The top leadership among higher education, cultural and tourism officials must play a vital role in implementing the effort.**

***B. First Tactic of the Louisiana-Latin America Strategy: Market Segmentation and Selection of Preferred Mode of Market Entry***

Within the overall strategy previously presented, the first specific tactic is to define the market area for development, and the specific mode of entry to lead the state’s business expansion into Latin America. To facilitate implementation of the tactic, the Consultants have constructed a strategic market map that serves as a guide to the overall business development approach of Louisiana in the emerging markets of the Americas. The Strategic Map and specific recommendations to follow are presented in depth in the following pages, with Louisiana as the center of Latin America trade and direct investment flows.

## The Strategic Market Map to Increase Louisiana's Share of Latin America Trade and Direct Investment



Source: The Washington Economics Group, Inc. Data from various official sources.

The map on the previous page facilitates the segmentation of the Latin American marketplace into key components for sustained business development:

- (1) Louisiana’s strategic location is at the center of a rich and broad geographical market area composed of key U.S. states and selected Latin American regions and countries.

**Tactic #1:** Develop marketing campaign and promotional materials based on the geographical market area that can be targeted via a Louisiana location, a “one-stop” location able to serve a larger than Louisiana market area.

The following table quantifies key indicators of the potential market area that can be reached by a Latin American firm investing in Louisiana – either through a wholly owned subsidiary, a joint venture with a Louisiana firm or through mergers and acquisitions among other possibilities.

<b>Potential Market Area* of U.S. States for Latin American Companies Investing in Louisiana (Foreign Direct Investment)</b>	
<b>U.S. Indicators</b>	
Total Market Area Population (Millions)	51
Total GDP of Market Area (\$ Trillion)	\$2.4
Total Personal Income of Market Area (\$ Trillion)	\$2.2
Per Capita Personal Income of Market Area (\$)	\$38,291
Total Labor Force Size of Market Area (Millions)	25
Total FDI Size of Market Area (\$ Billions)	\$ 190
<i>Sources: U.S. Census Bureau, Bureau of Economic Analysis, The Labor Market Statistics of Louisiana, Arkansas, Illinois, Mississippi, Oklahoma and Texas.</i> <b>*U.S. market indicators are the sum of states close to Louisiana (Arkansas, Illinois Mississippi, Oklahoma and Texas).</b>	

The strategic and tactical map also highlights the competitive location of Louisiana to service the growing markets of Mexico and Central America. This would be of special interest to South American countries with a large corporate base such as Brazil, Chile and Argentina.

The NAFTA (North American Free Trade Agreement) and DR-CAFTA (Dominican Republic and Central America Free Trade Agreement) allow South American, U.S.-based companies to expand their reach to Mexico and to Central America-Dominican Republic

through value-added production from Louisiana that meets so-called “Rules of Origin” to qualify for trade benefits.

- (2) **A second useful** tactic that can be derived from the development of the strategic map is the leading mode of market expansion (whether FDI or trade emphasis), while also highlighting the countries and regions for business development by Louisiana.

The Consultants (WEG) recommend initially following (over the first three-year period), a primarily **Foreign Direct Investment-led Strategy, with specific tactics for increasing equity investments (FDI) by Latin American entities into Louisiana**. FDI generates significant value added in the State and in most cases leads to eventual increases in trade activity through Louisiana ports. FDI also leads to important high-wage job creation, and to “exports” of Louisiana products and services to the “Heartland” of America. The “exports” are delivered to the neighboring states using the inland ports of the Mississippi River and the surface/air transportation system of Louisiana.

**Therefore, an FDI-led effort integrates the production function of key Latin American countries and corporations with Louisiana producers and state infrastructure. Over time, this fact generates trade flows through the supply chain process across borders.**

To start implementing a FDI-led strategy, begin with the following tactics:

**Tactic #1:** Implement a minimum of six FDI missions, the first year of the strategy implementation, to targeted Latin American markets, led by the Governor and top business executives in selected industry categories.

**Tactic #2:** Select the countries, and industries within those countries, for cultivation through on-site visits to market a Louisiana location or distributing for producing a Latin American company product or service.

**Tactic #3:** Roll out a comprehensive FDI marketing campaign, starting with selected Mexican, Peruvian and Colombian cities and with selected regions of these countries during the first year.

The strategic map also highlights the countries to target for the FDI-led strategy. These countries are **Mexico, Peru, Colombia, Brazil, Chile and Argentina**, in rank order. The rationale for targeting these countries was discussed in **Section III** of this Study.

For the important Dominican Republic and Central American Free Trade Area marketplace, an export/import emphasis (a trade-oriented approach) should lead the business development effort for at least the first year. These countries are relatively small so the size of the corporate base is too narrow for FDI emphasis by Louisiana. Furthermore, these markets have a high propensity to purchase U.S. goods and services. Louisiana also has significant recognition, an already established market share and a positive brand in these nations due to ongoing trade relations, visitors and Louisiana residents of Central American descent, and large number of Central American citizens that are graduates of Louisiana-based universities.

**Tactic #4:** Develop at least four trade-oriented missions to CAFTA countries during the first year of the expanded commercial effort with Latin America, targeting specific products and services that are “exportable” such as tourism, healthcare, business services and high financial services, higher education services and others. Appendix IV contains specific products and services that can be exported by Louisiana companies.

### ***C. Organizational Strategy and Tactics During the Critical First Year Implementation***

Given the assessment of best practices to expand global business among U.S. states (presented in **Section II** of this Study), the Consultants recommend the creation of a non-profit (501-C-3) private entity to implement, over time, the Louisiana-Latin America Strategy. Such a private-sector entity, with public-sector participation vis-à-vis the Board of Directors, could be housed at the Louisiana Committee for Economic Development (LCED) or another institution with a similar supporting membership and statewide outreach across the regions and key industry sectors of Louisiana.

Membership in the Association would be based on a yearly private-company investment to sustain a small staff. Membership must be representative of the regions of the state. **This institutionalization of the Louisiana-Latin America Commercial Initiative is essential to sustain the effort over time.** The Association would, among other activities:

- Coordinate closely with state and local government officials in the implementation of the Louisiana-Latin America commercial relations project. This includes the expected trade and investment missions and the benchmarking of results from the missions and follow-up meetings.
- Serve as a private sector-led advocacy group in favor of policies that create a business climate conducive to the attraction, retention and expansion of Foreign Direct Investment and trade inflows from the Latin American region.

- Conduct seminars, conferences and other educational and external relations activities to strengthen societal consensus and support for increased trade and investment relations between Louisiana and Latin America.
- Monitor federal and state laws and regulations that would impact the ability of Louisiana to enhance commercial relations with the Region.

***D. Implementation of a Toolkit for Global Business: with Emphasis on the Latin American Region***

As part of Best Practices to create Louisiana-“global-business-ready-firms,” serious consideration should be given to the development of a comprehensive program of fiscal incentives and trade development grants. Such a program must be performance-based in order to achieve the desired results of generating increased Foreign Direct Investment and trade activity over time between Louisiana and Latin America.

Based on the experiences of other states, the following incentive programs have been shown to be effective in generating international business:

- **Fiscal Incentives** such as tax credits or tax refunds based on the generation of jobs in a state, or the utilization of a state’s ports and airports for export/import purposes.
- **International Development** grants by the state awarded to non-profit trade and economic development organizations to increase the number and competitiveness of “trade ready” state companies. These grants would be awarded under open competition and based on a set of monitored performance indicators.

While fiscal incentives are an important tactic to enhance the global orientation of Louisiana, developing a business climate and competitive indicators to attract, retain and expand global business investments is paramount. The Louisiana-Latin America Commercial Relations Strategy requires improvements in the state’s business climate as it competes with other states and countries for Foreign Direct Investment from Latin American-based companies.

The table on the next page, showing the state’s competitiveness indicators, suggests the need for improvement in many areas that impact the profitability of business activities. In essence, **the Louisiana-Latin American effort, with emphasis in recruiting targeted Latin American companies to invest in Louisiana, depends, to an extent, on continuing improving the overall business climate of the State.**

Louisiana Competitiveness Indicators to Attract Foreign Direct Investment		
Indicators	Ranking N=50	Assessment
<b><i>Human Resources</i></b>		
Adult Population with HS Degrees	48 <sup>th</sup>	Low
Adult Population with Bachelor Degrees	23 <sup>rd</sup>	Positive
Adult Population with Advanced Degrees	46 <sup>th</sup>	Low
Number of Colleges and Universities	--	Positive
Hispanic Population % of Total U.S. Population	33 <sup>rd</sup>	Positive
<b><i>Transportation and Infrastructure</i></b>		
Deep-Draft and Inland Ports	Top 5	Positive
Number of International Airports	2	Low
New Orleans Congestion Ratio very large and large urban areas <sup>1</sup>	9 <sup>th</sup>	Positive
Value of Total International Trade (\$ Billions)	7 <sup>th</sup>	Positive
Number of Consulates	Top 10	Positive
<b><i>Business Climate</i></b>		
Cost of Living <sup>1</sup>	26 <sup>th</sup>	Positive
Tax Foundation Ranking in U.S., of which: <sup>2</sup>	33 <sup>rd</sup>	Low
-Sales Taxes <sup>2</sup>	46 <sup>th</sup>	Low
-Corporate Income Tax <sup>2</sup>	19 <sup>th</sup>	Positive
-Property Taxes <sup>2</sup>	22 <sup>nd</sup>	Positive
Workers Compensation Ranking	11 <sup>th</sup>	Positive
Total Value of FDI (\$ Billions)	13 <sup>th</sup>	Positive
Venture Capital Investments (\$ Billions)	43 <sup>rd</sup>	Low
<i>Sources: U.S. Census Bureau, Ports Association of Louisiana, Louisiana Airport Authority, World Trade Center of New Orleans, Census Bureau-Foreign Trade Division, Texas Transportation Institute, 2007 Urban Mobility Report, Tax Foundation, Louisiana Economic Development and ACCRA Cost of Living Index.</i> Notes: 1= the lower the score the better. 2= the higher the score, the more favorable a state's tax system is for business. N=50 U.S. States		

Overall, the business climate of Louisiana for increased FDI inflows is overall positive in many key aspects, such as modern and efficient port facilities and trade infrastructure. The state also has a relatively low cost of living compared to many U.S. states. Louisiana is also among the top 15 states in the nation in value of FDI already present – a fact that will facilitate the enhancement of FDI from Latin America.

Finally, the state's Higher Education System, with significant technical assistance and research activities in Latin America, is a positive factor for the success of the proposed Louisiana-Latin American commercial effort.



However, the state still needs significant improvement in the development of skilled human resources relative to most other states. Furthermore, the state's tax burden is also relatively high compared to competing states. Louisiana also ranks low in the availability of venture capital for entrepreneurial start-ups.

***E. Identification of Specific Industries and Corporations in the Targeted Latin American Countries for a Louisiana FDI Strategy***

After the completion of country selection, modes of market development, organizational tactics and the toolkit, the next tactical step is to indentify the specific companies to target for FDI in Louisiana.

The companies selected by Consultants (WEG) have been prioritized according to the countries previously identified as potential FDI partners of Louisiana, specific sectors/industries of the companies that fit with the key industries/sectors of Louisiana, and corporate size, as determined by Gross Sales Revenues in 2007 – the latest year publicly available.

Such a prioritization can facilitate the development and implementation of Investment Missions to the countries and companies selected, the recruitment of Louisiana executives to participate in the mission by industry categories and the public officials attending. To be successful, these missions must be at the top decision-making level of Louisiana corporations (CEO, President, Chairman of the Board) and from public officials (Governor, Secretary of Economic Development, State University President, for example).

FIRST FDI PRIORITY: MEXICO



● MONTERREY

● VERACRUZ

● MERIDA

<b>Top Mexican Companies</b>			
<b>Corporation</b>	<b>Business Sector</b>	<b>Gross Sales Revenues (2007) \$ Billion</b>	<b>Website</b>
<b>Grupo Bal</b>	Diversified conglomerate	\$7.8	<a href="http://www.bal.com.mx">www.bal.com.mx</a>
<b>Grupo Carso</b>	Diversified conglomerate	\$6.9	<a href="http://www.gcarso.com.mx">www.gcarso.com.mx</a>
<b>Grupo Modelo</b>	Manufacturing, beverages & spirits	\$6.7	<a href="http://www.gmodelo.com.mx">www.gmodelo.com.mx</a>
<b>Grupo Bimbo</b>	Food products	\$6.6	<a href="http://www.grupobimbo.com.mx">www.grupobimbo.com.mx</a>
<b>Pemex Petroquímica</b>	Manufacturing, refineries, petrochemical production	\$5.3	<a href="http://www.pemex.com.mx">www.pemex.com.mx</a>
<b>Grupo Salinas</b>	Diversified conglomerate	\$5.2	<a href="http://www.gruposalinas.com.mx">www.gruposalinas.com.mx</a>
<b>Industrias Penoles</b>	Mining, natural resources	\$4.0	<a href="http://www.penoles.com.mx">www.penoles.com.mx</a>
<b>El Puerto de Liverpool</b>	Retail services, Consumer, Food Products & other	\$3.9	<a href="http://www.liverpool.com.mx">www.liverpool.com.mx</a>
<b>Grupo Mabe</b>	Electronic Products and distribution	\$3.9	<a href="http://www.mabe.com.mx">www.mabe.com.mx</a>
<b>Cemex Mexico</b>	Cement	\$3.8	<a href="http://www.cemexmexico.com">www.cemexmexico.com</a>
<b>Grupo Televisa</b>	Media communications	\$3.8	<a href="http://www.televisa.com.mx">www.televisa.com.mx</a>
<b>Grupo Elektra</b>	Retail services, Consumer, Food Products & other	\$3.6	<a href="http://www.elektra.com.mx">www.elektra.com.mx</a>
<b>Cerveceria Cuauhtemoc Moctezuma</b>	Manufacturing, beverages & spirits	\$3.3	<a href="http://www.ccm.com.mx">www.ccm.com.mx</a>
<b>Nemak</b>	Manufacturing, Auto-related parts	\$3.0	<a href="http://www.alfa.com.mx">www.alfa.com.mx</a>
<b>Almacenes Coppel</b>	Retail services, Consumer, Food Products & other	\$2.9	<a href="http://www.coppel.com.mx">www.coppel.com.mx</a>
<b>Minera Mexico</b>	Mining, natural resources	\$2.9	<a href="http://www.mineramexico.com">www.mineramexico.com</a>
<b>Sanmina-SCI Systems de Mexico</b>	Electronic Products and distribution	\$2.9	<a href="http://www.sanima-sci.com">www.sanima-sci.com</a>
<b>Grupo Condumex</b>	Electronic Products and distribution	\$2.9	<a href="http://www.condumex.com.mx">www.condumex.com.mx</a>
<b>Grupo Saborns</b>	Retail services, Consumer, Food Products & other	\$2.8	<a href="http://www.saborns.com.mx">www.saborns.com.mx</a>
<b>Grupo Vitro</b>	Manufacturing, diversified products	\$2.6	<a href="http://www.vitro.com.mx">www.vitro.com.mx</a>

<b>Aeropuertos y Servicios Auxiliares</b>	Aviation	\$2.5	<a href="http://www.asa.gob.mx">www.asa.gob.mx</a>
<b>Altos Hornos de Mexico</b>	Manufacturing, Aluminum, Steel, Metals	\$2.5	<a href="http://www.ahmsa.com">www.ahmsa.com</a>
<b>Grupo IMSA (Acero)</b>	Manufacturing, Aluminum, Steel, Metals	\$2.5	<a href="http://www.grupoimsa.com">www.grupoimsa.com</a>
<b>Nacional de Drogas</b>	Pharmaceuticals	\$2.4	<a href="http://www.nadro.com">www.nadro.com</a>
<b>Grupo Casa Saba</b>	Retail services, Consumer, Food Products & other	\$2.3	<a href="http://www.casasaba.com">www.casasaba.com</a>
<b>Grupo Simec</b>	Manufacturing, Aluminum, Steel, Metals	\$2.2	<a href="http://www.gsimec.com.mx">www.gsimec.com.mx</a>
<b>Mexichem</b>	Manufacturing, refineries, petrochemical production	\$2.1	<a href="http://www.mexichem.com.mx">www.mexichem.com.mx</a>
<b>Embotelladoras Arca</b>	Manufacturing Beverages & Spirits	\$1.7	<a href="http://www.e-arca.com.mx">www.e-arca.com.mx</a>
<b>Deacero</b>	Manufacturing, Aluminum, Steel, Metals	\$1.7	<a href="http://www.deacero.com">www.deacero.com</a>
<b>Industrias Bachoco</b>	Agricultural Products and Processing	\$1.7	<a href="http://www.bachoco.com.mx">www.bachoco.com.mx</a>
<b>Cigatam</b>	Agricultural Products and Processing	\$1.6	<a href="http://www.cigatam.com">www.cigatam.com</a>
<b>Desarrolladora Homex</b>	Construction	\$1.5	<a href="http://www.homex.com.mx">www.homex.com.mx</a>
<b>Grupo Empresarial Angeles</b>	Health Care	\$1.5	<a href="http://www.grupoempresarialangeles.com">www.grupoempresarialangeles.com</a>
<b>Corporacion GEO</b>	Construction	\$1.4	<a href="http://www.casasgeo.com">www.casasgeo.com</a>
<b>Minas Penoles</b>	Mining, natural resources	\$1.4	<a href="http://www.penoles.com.mx">www.penoles.com.mx</a>
<b>Corporativo Fragua</b>	Retail services, Consumer, Food Products & other	\$1.3	<a href="http://www.fragua.com.mx">www.fragua.com.mx</a>
<b>Danone</b>	Agricultural Products and Processing	\$1.3	<a href="http://www.danone.com.mx">www.danone.com.mx</a>
<b>Vitro Envases</b>	Manufacturing, Diversified Products	\$1.3	<a href="http://www.vitro.com.mx">www.vitro.com.mx</a>
<b>Grupo Omnilife</b>	Health Care	\$1.3	<a href="http://www.omnilife.com.mx">www.omnilife.com.mx</a>
<b>Grupo FAMSA</b>	Retail services, Consumer, Food Products & other	\$1.3	<a href="http://www.grupofamsa.com">www.grupofamsa.com</a>
<b>Cementos Cruz Azul</b>	Cement	\$1.3	<a href="http://www.cruzazul.com.mx">www.cruzazul.com.mx</a>
<b>Grupo Corvi</b>	Retail services, Consumer, Food Products & other	\$1.2	<a href="http://www.grupocorvi.com.mx">www.grupocorvi.com.mx</a>

<b>Vitro Vidrio Plano</b>	Manufacturing, Diversified Products	\$1.2	<a href="http://www.vitro.com.mx">www.vitro.com.mx</a>
<b>CICSA</b>	Construction	\$1.2	<a href="http://www.ccicsa.com.mx">www.ccicsa.com.mx</a>
<b>BASF de Mexico</b>	Pharmaceuticals	\$1.2	<a href="http://www.basf.com">www.basf.com</a>
<b>Urbi Desarrollos Urbanos</b>	Construction	\$1.2	<a href="http://www.urbi.com.mx">www.urbi.com.mx</a>
<b>Tiendas Sanborns</b>	Retail services, Consumer, Food Products & other	\$1.2	<a href="http://www.sanborns.com.mx">www.sanborns.com.mx</a>
<b>Grupo Continental</b>	Manufacturing Beverages & Spirits	\$1.1	<a href="http://www.contal.com">www.contal.com</a>
<b>Axtel</b>	Telecommunications	\$1.1	<a href="http://www.axtel.com.mx">www.axtel.com.mx</a>
<b>Superama</b>	Retail services, Consumer, Food Products & other	\$1.1	<a href="http://www.superama.com/mx">www.superama.com/mx</a>
<b>Ferromex</b>	Transportation & Logistics	\$1.0	<a href="http://www.ferromex.com.mx">www.ferromex.com.mx</a>
<b>H-E-B Supermercados</b>	Retail services, Consumer, Food Products & other	\$1.0	<a href="http://www.hebmexico.com">www.hebmexico.com</a>
<b>Hospitales Angeles</b>	Health Care	\$0.9	<a href="http://www.hospitalangelespedregal.com.mx">www.hospitalangelespedregal.com.mx</a>
<b>Alpura</b>	Agricultural Products and Processing	\$0.9	<a href="http://www.alpura.com.mx">www.alpura.com.mx</a>
<b>Grupo Autofin</b>	Retail services, Consumer, Food Products & other	\$0.9	<a href="http://www.autofin.com.mx">www.autofin.com.mx</a>
<b>Corp. Interamer. De Entretenimiento</b>	Retail services, Consumer, Food Products & other	\$0.9	<a href="http://www.cie-mexico.com.mx">www.cie-mexico.com.mx</a>
<b>Corporacion Durango</b>	Paper Products	\$0.9	<a href="http://www.corpdgo.com.mx">www.corpdgo.com.mx</a>
<b>Kuo Quimico</b>	Pharmaceuticals	\$0.9	<a href="http://www.kuo.com.mx">www.kuo.com.mx</a>
<b>Grupo Viz</b>	Agricultural Products and Processing	\$0.9	<a href="http://www.sukarne.com.mx">www.sukarne.com.mx</a>
<b>TV Azteca</b>	Media communications	\$0.9	<a href="http://www.tvazteca.com.mx">www.tvazteca.com.mx</a>
<b>Suburbia</b>	Retail services, Consumer, Food Products & other	\$0.9	<a href="http://www.suburbia.com.mx">www.suburbia.com.mx</a>
<b>Consorcio Ara</b>	Construction	\$0.8	<a href="http://www.consorcioara.com.mx">www.consorcioara.com.mx</a>
<b>Farmacias Benavides</b>	Retail services, Consumer, Food Products & other	\$0.8	<a href="http://www.benvides.com.mx">www.benvides.com.mx</a>
<b>Grupo Industrial Maseca</b>	Agricultural Products and Processing	\$0.8	<a href="http://www.gimsa.com">www.gimsa.com</a>
<i>Source: <u>America Economia Magazine</u> and The Washington Economics Group, Inc.</i>			

**SECOND FDI PRIORITY:  
PERU UNDER THE NEW FREE TRADE AGREEMENT WITH THE U.S.**

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● LIMA REGION

<b>TOP PERUVIAN COMPANIES</b>			
<b>Corporation</b>	<b>Business Sector</b>	<b>Gross Sales Revenues (2007) \$ Billion</b>	<b>Website</b>
<b>Southern Peru Copper Corp</b>	Mining, natural resources	\$6.1	<a href="http://www.southernperu.com">www.southernperu.com</a>
<b>PetroPeru</b>	Drilling, Petroleum & Oil Exploration	\$3.2	<a href="http://www.petroperu.com">www.petroperu.com</a>
<b>Repsol YPF Peru</b>	Drilling, Petroleum & Oil Exploration	\$3.1	<a href="http://www.relapasa.com.pe">www.relapasa.com.pe</a>
<b>Minera Antamina</b>	Mining, natural resources	\$3.0	<a href="http://www.antamina.com">www.antamina.com</a>
<b>Minera Cerro Verde</b>	Minerals	\$1.8	<a href="http://www.phelpsdodge.com">www.phelpsdodge.com</a>
<b>Telefonica De Peru</b>	Telecommunications	\$1.5	<a href="http://www.telefonica.co.pe">www.telefonica.co.pe</a>
<b>Doe Run</b>	Mining, natural resources	\$1.3	<a href="http://www.doerun.com.pe">www.doerun.com.pe</a>
<b>Minera Yanacocha</b>	Mining, natural resources	\$1.1	<a href="http://www.yanacocha.com.pe">www.yanacocha.com.pe</a>
<b>Volcan</b>	Mining, natural resources	\$1.1	<a href="http://www.volcan.com.pe">www.volcan.com.pe</a>
<b>Alicorp</b>	Agricultural Products and Processing	\$0.9	<a href="http://www.aicorp.com.pe">www.aicorp.com.pe</a>
<b>Grupo Gloria</b>	Diversified conglomerate	\$0.9	<a href="http://www.grupogloria.com">www.grupogloria.com</a>
<b>Grupo Supermercados Wong</b>	Retail services, Consumer, Food Products & other	\$0.9	<a href="http://www.ewong.com">www.ewong.com</a>
<i>Source: <u>America Economia Magazine</u> and The Washington Economics Group, Inc.</i>			

### THIRD FDI PRIORITY: COLOMBIA





TOP COLOMBIAN COMPANIES			
Corporation	Business Sector	Gross Sales Revenues (2007) \$ Billion	Website
<b>Organizacion Terpel</b>	Drilling, Petroleum & Oil Exploration	\$3.1	<a href="http://www.terpel.com">www.terpel.com</a>
<b>Comcel</b>	Telecommunications	\$2.7	<a href="http://www.comcel.com.co">www.comcel.com.co</a>
<b>Grupo Bavaria</b>	Diversified conglomerate	\$2.5	<a href="http://www.bavaria.com.co">www.bavaria.com.co</a>
<b>Grupo Argco</b>	Cement	\$1.9	<a href="http://www.argcos.co">www.argcos.co</a>
<b>Bavaria</b>	Manufacturing Beverages & Spirits	\$1.8	<a href="http://www.bavaria.com.co">www.bavaria.com.co</a>
<b>Grupo NAC de Chocolates</b>	Retail services, Consumer, Food Products & other	\$1.7	<a href="http://www.inversioneschocolates.com">www.inversioneschocolates.com</a>
<b>Avianca</b>	Airline	\$1.4	<a href="http://www.avianca.com.co">www.avianca.com.co</a>
<b>Grupo ISA</b>	Electricity generation	\$1.4	<a href="http://www.isa.com.co">www.isa.com.co</a>
<b>EPM Energia</b>	Electricity generation	\$1.3	<a href="http://www.eepom.com">www.eepom.com</a>
<b>Oxy</b>	Manufacturing, refineries, petrochemical production	\$1.3	<a href="http://www.oxy.com">www.oxy.com</a>
<b>Sofasa</b>	Manufacturing Auto Related Parts	\$1.2	<a href="http://www.sofasa.com.co">www.sofasa.com.co</a>
<b>Grupo Saludcoop</b>	Health Care	\$1.2	<a href="http://www.saludcoop.com.co">www.saludcoop.com.co</a>
<b>Columbia Telecomunicaciones</b>	Telecommunications	\$1.1	<a href="http://www.telcom.com.co">www.telcom.com.co</a>
<b>Carulla Vivero</b>	Retail services, Consumer, Food Products & other	\$1.1	<a href="http://www.carullavivero.com">www.carullavivero.com</a>
<b>Cadensa</b>	Electricity generation	\$1.1	<a href="http://www.cadensa.com.co">www.cadensa.com.co</a>
<b>ETB - Emp De Telecom de Bogota</b>	Telecommunications	\$1.0	<a href="http://www.etb.com.co">www.etb.com.co</a>
<b>EPM Telecomunicaciones</b>	Telecommunications	\$1.0	<a href="http://www.epppm.com">www.epppm.com</a>
<b>Columbiana de Comercio</b>	Retail services, Consumer, Food Products & other	\$0.8	<a href="http://www.alkosto.com.co">www.alkosto.com.co</a>
Source: <i>America Economia Magazine</i> and <i>The Washington Economics Group, Inc.</i>			

## FOURTH FDI PRIORITY: BRAZIL



<b>TOP BRAZILIAN COMPANIES</b>			
<b>Corporation</b>	<b>Business Sector</b>	<b>Gross Sales Revenues (2007) \$Billion</b>	<b>Website</b>
<b>Usiminas</b>	Diversified conglomerate	\$7.8	<a href="http://www.usiminas.com.br">www.usiminas.com.br</a>
<b>Vivo</b>	Telecommunications	\$7.1	<a href="http://www.vivo.com.br">www.vivo.com.br</a>
<b>Tim Participacoes</b>	Telecommunications	\$7.0	<a href="http://www.timbrasil.com.br">www.timbrasil.com.br</a>
<b>Brazil Telecom</b>	Telecommunications	\$6.2	<a href="http://www.brasiltelecom.com.br">www.brasiltelecom.com.br</a>
<b>Cemig</b>	Electricity generation	\$5.8	<a href="http://www.cemig.com.br">www.cemig.com.br</a>
<b>Embraer</b>	Aviation	\$5.6	<a href="http://www.embraer.com.br">www.embraer.com.br</a>
<b>Sadia</b>	Food products	\$4.9	<a href="http://www.sadia.com.br">www.sadia.com.br</a>
<b>Noberto Odebrecht</b>	Construction	\$4.8	<a href="http://www.odebrecht.com">www.odebrecht.com</a>
<b>TAM</b>	Logistics distribution	\$4.6	<a href="http://www.tam.com.br">www.tam.com.br</a>
<b>Gerdau Acos Longos</b>	Manufacturing, Aluminum, Steel, Metals	\$4.2	<a href="http://www.gerdau.com.br">www.gerdau.com.br</a>
<b>Usiminas Ipatinga</b>	Manufacturing, Aluminum, Steel, Metals	\$4.2	<a href="http://www.usminas.com.br">www.usminas.com.br</a>
<b>Grupo Comunic E. Participacoes</b>	Media communications	\$3.8	<a href="http://www.globopar.com.br">www.globopar.com.br</a>
<b>Grupo Andrade Gutierrez</b>	Diversified conglomerate	\$3.5	<a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a>
<b>Bunge Fertilizantes</b>	Pharmaceuticals	\$3.2	<a href="http://www.bunge.com.br">www.bunge.com.br</a>
<b>Grupo Bertin</b>	Agri-business	\$2.9	<a href="http://www.bertin.com.br">www.bertin.com.br</a>
<b>GOL</b>	Logistics distribution	\$2.8	<a href="http://www.voego.com.br">www.voego.com.br</a>
<b>OI</b>	Telecommunications	\$2.4	<a href="http://www.telemar.com.br">www.telemar.com.br</a>
<b>Makro</b>	Retail services, Consumer, Food Products & other	\$2.2	<a href="http://www.makro.com.br">www.makro.com.br</a>
<b>Aracruz Celulose</b>	Manufacturing, paper and pulp products	\$2.2	<a href="http://www.aracruz.com.br">www.aracruz.com.br</a>
<b>WEG</b>	Machinery and Equipment	\$2.1	<a href="http://www.weg.com.br">www.weg.com.br</a>
<b>Marfrig</b>	Agribusiness	\$1.9	<a href="http://www.marfrig.com.br">www.marfrig.com.br</a>
<b>Comgas</b>	Oil & Gas	\$1.8	<a href="http://www.comgas.com.br">www.comgas.com.br</a>
<b>Coamo</b>	Food products	\$1.8	<a href="http://www.coamo.com.br">www.coamo.com.br</a>
<b>Pao De Acucar</b>	Retail services, Consumer, Food Products & other	\$1.8	<a href="http://www.paodeacucar.com.br">www.paodeacucar.com.br</a>
<b>Petroquimica Uniao</b>	Manufacturing, refineries, petrochemical production	\$1.8	<a href="http://www.pqu.com.br">www.pqu.com.br</a>
<b>MBR</b>	Minerals	\$1.8	<a href="http://www.mbr.com.br">www.mbr.com.br</a>

<b>Ipiranga Petroquímica</b>	Manufacturing, refineries, petrochemical production	\$1.7	<a href="http://www.ipq.com.br">www.ipq.com.br</a>
<b>CBA</b>	Manufacturing, Aluminum, Steel, Metals	\$1.6	<a href="http://www.cba.ind.br">www.cba.ind.br</a>
<b>Construtora Norberto Odebrecht</b>	Construction	\$1.6	<a href="http://www.odebrecht.com">www.odebrecht.com</a>
<b>Sendas Distribuidora</b>	Retail services, Consumer, Food Products & other	\$1.6	<a href="http://www.sendas.com.br">www.sendas.com.br</a>
<b>Grupo Schincariol</b>	Manufacturing Beverages & Spirits	\$1.5	<a href="http://www.schincariol.com.br">www.schincariol.com.br</a>
<b>Randon</b>	Manufacturing Auto Related Parts	\$1.4	<a href="http://www.randon.com.br">www.randon.com.br</a>
<b>Suzano Petroquímica</b>	Manufacturing, refineries, petrochemical production	\$1.4	<a href="http://www.suzano.com.br">www.suzano.com.br</a>
<b>B2W - CIA Global Do Varejo</b>	Retail services, Consumer, Food Products & other	\$1.4	<a href="http://www.b2winc.com">www.b2winc.com</a>
<b>Construtora Andrade Gutierrez</b>	Construction	\$1.4	<a href="http://www.agsa.com.br">www.agsa.com.br</a>
<b>Yara Fertilizantes</b>	Fertilizer	\$1.2	<a href="http://www.yarabrazil.com.br">www.yarabrazil.com.br</a>
<b>Camargo Correa Cimento</b>	Cement	\$1.2	<a href="http://www.cimentoaue.com.br">www.cimentoaue.com.br</a>
<b>Aurora Alimentos</b>	Food Products	\$1.1	<a href="http://www.aurora.com.br">www.aurora.com.br</a>
<b>Imcopa Import, Export E Ind.de Olels</b>	Agricultural Products and Processing	\$1.1	<a href="http://www.imcopa.com">www.imcopa.com</a>
<b>Positivo Informatica</b>	Electronic Products and distribution	\$0.9	<a href="http://www.positivoinformativa.com.br">www.positivoinformativa.com.br</a>
<i>Source: <u>America Economia Magazine</u> and The Washington Economics Group, Inc.</i>			

## FIFTH FDI PRIORITY: CHILE

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■ SANTIAGO    ■ VALPARAISO

<b>TOP CHILEAN COMPANIES</b>			
<b>Corporation</b>	<b>Business Sector</b>	<b>Gross Sales Revenues (2007) \$Billion</b>	<b>Website</b>
<b>Sudamericana de Vapores</b>	Logistics distribution	\$4.1	<a href="http://www.csav.cl">www.csav.cl</a>
<b>Celco</b>	Manufacturing, paper and pulp products	\$3.6	<a href="http://www.celco.com.cl">www.celco.com.cl</a>
<b>LAN</b>	Logistics distribution	\$3.5	<a href="http://www.lan.com">www.lan.com</a>
<b>Endesa</b>	Electricity generation	\$3.5	<a href="http://www.endesa.cl">www.endesa.cl</a>
<b>Collahuasi</b>	Mining, natural resources	\$3.2	<a href="http://www.collahuasi.cl">www.collahuasi.cl</a>
<b>CMPC Papeles y Cartones</b>	Manufacturing, paper and pulp products	\$3.2	<a href="http://www.cmpc.cl">www.cmpc.cl</a>
<b>Los Pelambres</b>	Mining, natural resources	\$2.7	<a href="http://www.lospelambres.cl">www.lospelambres.cl</a>
<b>Moltmet</b>	Manufacturing, Aluminum, Steel, Metals	\$2.6	<a href="http://www.molymet.cl">www.molymet.cl</a>
<b>Sodimac</b>	Retail services, Consumer, Food Products & other	\$1.9	<a href="http://www.sodimac.cl">www.sodimac.cl</a>
<b>Ripley</b>	Retail services, Consumer, Food Products & other	\$1.9	<a href="http://www.ripley.cl">www.ripley.cl</a>
<b>Entel</b>	Telecommunications	\$1.8	<a href="http://www.entel.cl">www.entel.cl</a>
<b>FASA</b>	Retail services, Consumer, Food Products & other	\$1.7	<a href="http://www.fasa.cl">www.fasa.cl</a>
<b>CAP</b>	Manufacturing, Aluminum, Steel, Metals	\$1.6	<a href="http://www.cap.cl">www.cap.cl</a>
<b>Candelaria</b>	Mining, natural resources	\$1.5	<a href="http://www.phelpsdodge.com">www.phelpsdodge.com</a>
<b>Agrosuper</b>	Agricultural Products and Processing	\$1.5	<a href="http://www.agrosuper.cl">www.agrosuper.cl</a>
<b>Santa Isabel</b>	Retail services, Consumer, Food Products & other	\$1.5	<a href="http://www.santaisabel.cl">www.santaisabel.cl</a>
<b>Cmpc Celulosa</b>	Paper Products	\$1.4	<a href="http://www.cmpc.cl">www.cmpc.cl</a>
<b>Jumbo</b>	Retail services, Consumer, Food Products & other	\$1.4	<a href="http://www.jumbo.cl">www.jumbo.cl</a>
<b>Madeco</b>	Mining, natural resources	\$1.3	<a href="http://www.madeco.cl">www.madeco.cl</a>
<b>Embotelladora Andina</b>	Manufacturing Beverages & Spirits	\$1.3	<a href="http://www.koandina.com">www.koandina.com</a>
<b>Entel PCS</b>	Telecommunications	\$1.3	<a href="http://www.entelpcs.cl">www.entelpcs.cl</a>
<b>Telefonica Chile</b>	Telecommunications	\$1.3	<a href="http://www.telefonicachile.cl">www.telefonicachile.cl</a>

<b>CCU</b>	Manufacturing Beverages & Spirits	\$1.3	<a href="http://www.ccu.cl">www.ccu.cl</a>
<b>Sigdo Koppers</b>	Construction	\$1.2	<a href="http://www.sigdokoppers.cl">www.sigdokoppers.cl</a>
<b>Paris</b>	Retail services, Consumer, Food Products & other	\$1.1	<a href="http://www.paris.cl">www.paris.cl</a>
<b>Empresas Banmedica</b>	Health Care	\$1.1	<a href="http://www.empresasbanmedica.cl">www.empresasbanmedica.cl</a>
<b>Empresas Navieras</b>	Transportation & Logistics	\$1.0	<a href="http://www.empresasnavieras.com">www.empresasnavieras.com</a>
<b>Masisa</b>	Manufacturing diversified Products	\$1.0	<a href="http://www.masisa.cl">www.masisa.cl</a>
<b>GASCO</b>	Oil & Gas	\$1.0	<a href="http://www.gasco.cl">www.gasco.cl</a>
<b>Huachipato</b>	Mining, natural resources	\$0.9	<a href="http://www.cap.cl">www.cap.cl</a>
<i>Source: <u>America Economia Magazine</u> and The Washington Economics Group, Inc.</i>			

## SIXTH FDI PRIORITY: ARGENTINA

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<b>TOP ARGENTINEAN COMPANIES</b>			
<b>Corporation</b>	<b>Business Sector</b>	<b>Gross Sales Revenues (2007) \$Billion</b>	<b>Website</b>
<b>Petrobras Energia</b>	Drilling, Petroleum & Oil Exploration	\$4.2	<a href="http://www.pecom.com.ar">www.pecom.com.ar</a>
<b>Telecom</b>	Telecommunications	\$2.9	<a href="http://www.telecom.com.ar">www.telecom.com.ar</a>
<b>Bunge</b>	Agri-business	\$2.6	<a href="http://www.bungeargentina.com">www.bungeargentina.com</a>
<b>Carrefour</b>	Retail services, Consumer, Food Products & other	\$2.4	<a href="http://www.carrefour.com.ar">www.carrefour.com.ar</a>
<b>Siderar</b>	Manufacturing, Aluminum, Steel, Metals	\$2.0	<a href="http://www.siderar.com.ar">www.siderar.com.ar</a>
<b>Movistar</b>	Telecommunications	\$2.0	<a href="http://www.movistar.com.ar">www.movistar.com.ar</a>
<b>Molinas Rio de la Plata</b>	Agri-business	\$1.9	<a href="http://www.molinos.com.ar">www.molinos.com.ar</a>
<b>Arcor</b>	Food Products	\$1.8	<a href="http://www.arcor.com.ar">www.arcor.com.ar</a>
<b>Pan American Energy</b>	Manufacturing, refineries, petrochemical production	\$1.8	<a href="http://www.pan-energy.com">www.pan-energy.com</a>
<b>DISCO</b>	Retail services, Consumer, Food Products & other	\$1.4	<a href="http://www.disco.com.ar">www.disco.com.ar</a>
<b>Alumberera</b>	Mining, natural resources	\$1.4	<a href="http://www.alumbera.com.ar">www.alumbera.com.ar</a>
<b>Aceitera General Demeza</b>	Agricultural Products and Processing	\$1.4	<a href="http://www.agd.com.ar">www.agd.com.ar</a>
<b>Grupo Clarin</b>	Media communications	\$1.4	<a href="http://www.grupoclarin.com.ar">www.grupoclarin.com.ar</a>
<b>Quinsa</b>	Manufacturing Beverages & Spirits	\$1.4	<a href="http://www.quinsa.com.ar">www.quinsa.com.ar</a>
<b>Acindar</b>	Mining, natural resources	\$1.0	<a href="http://www.acindar.com.ar">www.acindar.com.ar</a>
<b>Aluar</b>	Mining, natural resources	\$0.8	<a href="http://www.aluar.com.ar">www.aluar.com.ar</a>
<b>Patagonia</b>	Retail services, Consumer, Food Products & other	\$0.8	<a href="http://www.taanonima.com.ar">www.taanonima.com.ar</a>
<i>Source: <u>America Economia Magazine</u> and The Washington Economics Group, Inc.</i>			

**APPENDIX I:**  
**VISITS BY THE WEG CONSULTING TEAM TO LOUISIANA**

Since commissioned by the Louisiana Committee for Economic Development in May 2008, The Washington Economics Group (WEG) Consulting Team has conducted visits to the State for the purpose of obtaining information and advice from top business, public and civic leaders. The WEG team has visited higher education institutions, port facilities, state government and businesses involved in international trade. The team of consultants participating in the visits is the following:

- Dr. Tony Villamil, Principal Advisor of the Project
- Dr. Pamella Dana, Senior Advisor for Economic Development
- Ms. Mary Snow, Manager of the Project

The dates of the visits conducted by the WEG team are as follows:

- July 9-10, 2008
- November 5-6, 2008
- February 17-19, 2009

### **Research Visits Completed**

The agendas and descriptions of each research and interview visit completed by the WEG Consulting Team, by date, is as follows:

- **July 9 and 10, 2008:**

Dr. Tony Villamil, Dr. Pam Dana and Ms. Mary Snow from the WEG team visited with Fred Loy, Cliff Loy and John Kelly of the Louisiana Committee for Economic Development (LCED) to discuss and implement a plan of action for the Louisiana-Latin America Strategic Project. The following agenda was set up by the WEG team for the visit in Baton Rouge, with the support of the LCED:

- **Wednesday, July 9<sup>th</sup>:**
  - 12:30PM- Arrive at MSY Airport, Drive to Baton Rouge
  - 4:00PM- Meeting with Cliff Loy, Executive Director-LCED
  - 4:30PM- Meeting with Dr. John Lombardi, LSU System President
- **Thursday, July 10<sup>th</sup>:**
  - 8:30AM- Meeting with Dr. James Richardson, Director, Public Administration Institute- LSU
  - 10:00AM- Strategy Meetings with Mr. John Kelly, LCED, Mr. Fred Loy and Mr. Cliff Loy from the LCED
  - 4:00PM- Depart MSY Airport

- **November 5 and 6, 2008:**

Dr. Tony Villamil and Ms. Mary Snow conducted a working meeting and luncheon with a selected group of executive members of the LCED. Dr. Villamil presented the PowerPoint, *“Development of a Strategy to Expand Business Relationships between Louisiana and Latin America”* (Task #2 of the Project) and obtained information and advice on business issues of importance to the Louisiana-Latin America Strategy Project. The presentation was also made to State of Louisiana officials and the Louisiana Committee for Economic Development and demonstrated concepts on a possible strategy for Latin America, the most recent data and analysis of Louisiana-Latin America trade and investment relationships, and selected business opportunities between Louisiana and Latin America (by Country). The following agenda was set up with support and advice from the LCED staff:

- **Wednesday, November 5<sup>th</sup>:**

4:50PM- Arrive at MSY Airport, Drive to Baton Rouge

- **Thursday, November 6<sup>th</sup>:**

8:00AM- Breakfast meeting with Mr. John Kelly, LCED and Mr. Cliff Loy, Executive Director- LCED

10:00AM-2:00PM-Working meeting and luncheon, Mr. Villamil presented his PowerPoint presentation and a discussion was held with all members of the LCED that were in attendance. The following members, by sector, were present:

**Government & Public Representatives:**

Pamela Ehlers, Economic Development Representative- Economic Development Administration

John Kelly, LCED

Cliff Loy, LCED

Stephen Moret, Secretary- Louisiana Economic Development

Jack Sharp, President- Biomedical Research Foundation of Northwest Louisiana

**Higher Education Representatives:**

Dr. Dan Reneau, President- Louisiana Tech University

Brooks Keel, Vice Chancellor for Research & Economic Development- LSU

Dr. William Richardson, Chancellor- LSU Ag Center

**Business Representatives:**

Herschel Abbott, Special Counsel- Jones Walker

Katie Chiason, Director- Business & Economic Development- CLECO

Tom Clark, Partner- Adams & Reese

Renae Conley, President- Entergy Louisiana

James Davison, President- Fargo Transport

Tom Hawkins, President- Louisiana Division- Atmos Energy

Kris Kirkpatrick, Partner-Long Law Firm

Shelby LaSalle, Chairman and CEO- Krebs, LaSalle, LeMieux Cons  
Shelley McNary, Director, Economic Development- Entergy  
Rob Stuart, President-CapitalOne

4:00PM- Depart MSY Airport

- **February 17-19, 2009:**

Dr. Tony Villamil and Ms. Mary Snow visited with Louisiana CEO's and top business and commercial executives during an intense, three-days consisting of interviews and visits throughout the State. During the February 2009 research visit, WEG presented the SWOT format for discussions with business, government, and LCED officials. The SWOT Analysis is entitled, *"Questionnaire Prototype for Interview with Selected Business Executives: Louisiana-Latin America Project."* The S.W.O.T analysis was distributed to all members of the LCED and other interested participants, whom were interviewed on the pertinent topics. The responses from the February meetings were extremely positive and the findings of the Analyses received by WEG are an integral component of this Louisiana-Latin America Strategy Study.

The February 2009 meetings took place over a three-day period in New Orleans, Baton Rouge and Lake Charles, Louisiana with the following agenda:

- **Tuesday, February 17<sup>th</sup>:** New Orleans  
5:00PM- Arrive MSY Airport  
6:30PM- Working dinner with Mr. John Kelly, LCED; Mr. Jose Suquet, CEO-Pan American Life and Mr. Cliff Loy, Executive Director-LCED
- **Wednesday, February 18<sup>th</sup>:** Morning Session in New Orleans  
9:00AM- Working breakfast meeting at the law office of Fowler Rodriguez Valdes-Fauli with the following attendees, by sector:

**Government & Public Representatives:**

Pamela Ehlers, Economic Development Representative- Economic Development Administration  
Darlene Kattan, Executive Director- Hispanic Chamber of Commerce  
John Kelly, LCED  
Gary LaGrange, Executive Director- Port of New Orleans  
Eugene Schreiber, Executive Director- World Trade Center of New Orleans

**Business Representatives:**

Luis Banos, CEO- ORX Resources  
Manny Blanco, Founder- Atlantis International  
Christian Chauvin, Attorney- Bowen, Micelette & Britt Inc.  
Cristina Chauvin, Associate- Fowler, Rodriguez Valdes-Fauli  
Jose Cruz, International Marketing Director- Maritime Claims-Americas Inc.  
George Fowler, Partner- Fowler Rodriguez Valdes-Fauli

Luis Garza, SVP & Manager-International Banking- Whitney Bank  
Kevin Kane, President-Pelican Institute  
Lagoberto Leon, VP & General Manaher- International Hotel Management Corp.  
Daniel Lichtl, Attorney- Fowler Rodriguez Valdes-Fauli  
Max Moreno, Vice President- Whitney Bank  
Antonio Rodriguez, Founder- Fowler Rodriguez Valdes-Fauli  
Rufino Saavedra, President- Ruffino's Painting & Contractors  
Alex Santacolomba, Commercial & Business Development Manager- Louisiana Green Fuels  
Mauricio Santacolomba, Chief Supply Officer- Louisiana Green Fuels  
Christian Sauce, Of Counsel, Fowler Rodriguez Valdes-Fauli  
Michael Tubbs, Attorney- Bowen Micelette & Britt Inc.

2:00PM- Baton Rouge

Meeting with Dr. William Richardson, Chancellor- LSU Ag Center; Research & Extension

4:30PM- Baton Rouge

Meeting with Drs. Ye-Sho Chen and C.S. Agnes Cheng, Professors- College of Business, LSU

○ **Thursday, February 19<sup>th</sup>:** Lake Charles

9:00AM- Drive to Lake Charles

11:00AM- Meetings at the Port of Lake Charles with Mr. Therrance Chertien, Marketing Manager and Mr. Derek Schierloh, Magaer of Marketing Trade Development for the Lake Charles Harbor & Terminal District

5:30PM- Depart MSY Airport

- The table below is a list of the individuals with whom the WEG Team has met with over the past year of visits:

NAME	TITLE	ORGANIZATION
<b>Herschel Abbott</b>	Special Counsel	Jones Walker
<b>Luis Banos</b>	CEO	ORX Resources
<b>Manny Blanco</b>	Founder	Atlantis International
<b>Christian Chauvin</b>	Attorney	Bowen Micelette & Britt, Inc.
<b>Cristina Chauvin</b>	Associate	Fowler Rodriguez Valdes-Fauli
<b>Ye-Sho Chen, Ph.D.</b>	Director of Emerging Markets	E.J Ourso College of Business- LSU

<b>C.S. Agnes Cheng, Ph.D.</b>	Professor-Department of Accounting	E.J Ourso College of Business-LSU
<b>Therrance Chertien</b>	Marketing Manager	Lake Charles Harbor & Terminal District
<b>Katie S. Chiasson EDFP, PCED</b>	Director- Business & Economic Development	Cleco Power LLC
<b>Tom Clark</b>	Partner	Adams & Reese
<b>Lawrence B. Collins</b>	International Services Director	Louisiana Economic Development
<b>Renae Conley</b>	President	Entergy
<b>Jose Cruz</b>	International Marketing Director	Maritime Claims-Americas Inc.
<b>James Davison</b>	President	Fargo Transport
<b>Pamela Ehlers</b>	Economic Development Representative	Economic Development Administration Regional Office
<b>George J. Fowler III</b>	Partner	Fowler Rodriguez Valdes-Fauli
<b>Luis Carlos Garza</b>	SVP & Manager-International Banking	Whitney National Bank
<b>Tom Hawkins</b>	President, Louisiana Division	Atmos Energy
<b>Kevin Kane</b>	President	Pelican Institute
<b>Darlene Kattan</b>	Executive Director	Hispanic Chamber of Commerce of Louisiana
<b>Brooks Keel</b>	Vice Chancellor for Research & Economic Development	Louisiana State University
<b>John Kelly</b>	Chairman Emeritus & Lead Director & Chairman, Latin American Initiative	Pan American Life
<b>Kris Kirkpatrick</b>	Partner	Long Law Firm
<b>Gary LaGrange</b>	Executive Director	Port of New Orleans
<b>Shelby LaSalle</b>	Chairman & CEO	Krebs, LaSalle, LeMieux Cons
<b>Lagoberto Leon</b>	VP & General Manager	International Hotel Corporation
<b>Daniel Lichtl</b>	Attorney	Fowler Rodriguez Valdes-Fauli
<b>John D. Lombardi</b>	President	Louisiana State University System
<b>Cliff Loy</b>		Louisiana Committee for Economic Development
<b>Fred Loy</b>	Executive Director	The Louisiana Committee of 100
<b>Shelley A. MacNary</b>	Director, Economic Development	Entergy

<b>Stephen Moret</b>	Secretary	Louisiana Economic Development
<b>Max Moreno</b>	Vice President	Whitney Bank
<b>Paul Pastorek</b>	State Superintendent of Education	Louisiana State Department of Education
<b>Dan Reneau</b>	President	Louisiana Tech University
<b>James A. Richardson</b>	Director- Public Administration Institute	E.J Ourso College of Business-LSU
<b>William B. Richardson</b>	Chancellor	LSU Ag Center; Research & Extension
<b>Antonio Rodriguez</b>	Partner	Fowler Rodriguez Valdes-Fauli
<b>Rufino Saavedra</b>	President	Rufino's Painting and Contractors
<b>Alex Santacoloma</b>	Commercial & Business Development Manager	Louisiana Green Fuels LLC.
<b>Mauricio Santacoloma</b>	Chief Supply Officer	Louisiana Green Fuels LLC.
<b>Christian Sauce</b>	Of Counsel	Fowler Rodriguez Valdes-Fauli
<b>Derek Schierloh</b>	Manager-Marketing & Trade Development	Lake Charles Harbor & Terminal District
<b>John F. "Jack" Sharp</b>	President & CEO	Biomedical Research Foundation of Northwest Louisiana
<b>Eugene Shreiber</b>	Managing Director	World Trade Center of New Orleans
<b>Rob Stuart</b>	President	CapitalOne
<b>Jose Suquet</b>	CEO	Pan American Life
<b>Michael Tubbs</b>	Attorney	Bowen, Miclette, & Britt of Louisiana, LLC.



**APPENDIX II:**  
**SWOT FORMAT**

February 17-19, 2009

**S.W.O.T. to Expand Louisiana-Latin America Commercial Relations**  
**S.W.O.T. = Strengths, Weaknesses, Opportunities and Threats**

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We very much appreciate your completing the following:

- 1) In your view, what are Louisiana's **STRENGTHS** in relation to Latin America commercial relations? Please list the Top 3 Factors:

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- 2) In your view, what are the current **WEAKNESSES** that Louisiana needs to address in order to expand commercial relations? Please list the Top 3 Factors:

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- 3) In your view, what **OPPORTUNITIES** does Louisiana have to expand commercial relations with Latin America? Please list the Top 3 Factors:

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- 4) In your view, what are the long-term **THREATS** (outside of the State of Louisiana) that could impact the State's commercial relations with Latin America? Please list the Top 3 Factors:

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Please provide any additional suggestions to build a sustainable expansion of Louisiana-Latin America business relationships?

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Thank you! If you would like to offer additional input, please contact Ms. Mary Snow by email at [msnow@weg.com](mailto:msnow@weg.com) or by phone at (305) 461-3811.

**APPENDIX III:**  
**ECONOMIC TRENDS IN THE BROAD GEOGRAPHICAL**  
**MARKET AREA THAT CAN BE SERVICED FROM**  
**A LOUISIANA LOCATION BY LATIN AMERICA CORPORATE INVESTMENTS**

### Louisiana: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	12%	8%	5%	7%	2%
Personal Income Growth	-9%	26%	10%	4%	3%
Employment Growth, of which:*	0.9%	-9%	8%	1%	-0.5%
Natural Resources and Mining	-6%	4%	7%	0.4%	4%
Manufacturing	-3%	-5%	7%	3%	-7%
Trade, Transportation & Utilities	0.0%	-6%	6%	0.6%	-1%
Professional & Business Services	4%	-9%	18%	2%	-0.7%
Education and Health Services	0.4%	-17%	16%	4%	2%
Leisure & Hospitality	4%	-18%	13%	4%	-1%
Total Exports	-12%	22%	32%	26%	10%
Total Visitors**	-22%	-3%	31%	-4%	9%

Sources: Bureau of Economic Analysis-Regional Accounts, Louisiana Labor Market Information, US Census Bureau, Foreign Trade Statistics, Louisiana Department of Culture, Louisiana Tourism Forecast and The Washington Economics Group, Inc.

Notes: \*Percent Change observations from April to April annual rate. \*\*Forecast for 2009.

### Arkansas: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	5%	5%	5%	3%	
Personal Income Growth	6%	7%	7%	5%	
Employment Growth, of which: <sup>1</sup>	2%	2%	0.3%	0.1%	-2%
Natural Resources and Mining	0.0%	7.2%	21%	13%	12%
Manufacturing	-1.5%	0.0%	-4.9%	-4%	-9%
Trade, Transportation & Utilities	2%	1%	0.4%	-0.5%	-5.1%
Professional & Business Services	3%	4%	2%	0.6%	-0.7%
Education and Health Services	2%	4%	2%	2%	4%
Leisure & Hospitality	5%	4%	0.7%	2%	3%
Total Exports	11%	10%	15%	18%	-7% <sup>2</sup>
Total Visitors	6%	7%	2%	-0.4%	

Sources: Bureau of Economic Analysis-Regional Accounts, Arkansas Labor Market Information, US Census Bureau, Foreign Trade Statistics, Arkansas Department of Parks and Tourism and The Washington Economics Group, Inc.

Notes: <sup>1</sup>Percent Change observations from April to April annual rate. <sup>2</sup>2009 % Change Data is March 2009 vs. March 2008.

### Illinois: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	4%	7%	5%	3%	
Personal Income Growth <sup>1</sup>	4%	6%	7%	4%	0.6%
Employment Growth, of which: <sup>2</sup>	0.8%	1%	0.8%	-0.5%	-4.7%
Natural Resources and Mining	5%	4%	-2%	-1%	1%
Manufacturing	-1%	-0.7%	-1%	-2%	-12%
Trade, Transportation & Utilities	0.6%	1%	1%	-0.7%	-4%
Professional & Business Services	4%	3%	2%	-1%	-8%
Education and Health Services	2%	2%	2%	3%	0.7%
Leisure & Hospitality	1%	2%	2%	0.2%	-3%
Total Exports <sup>3</sup>	-0.5%	40%	16%	9%	-18%
Total Visitors	13%	6%	-2%	-1%	N/A

Sources: Bureau of Economic Analysis-Regional Accounts, Illinois Labor Market Statistics, US Census Bureau, Foreign Trade Statistics, Illinois Economic Development Department-Illinois Bureau of Tourism, and The Washington Economics Group, Inc.

Notes: <sup>1</sup>2009 % Change Observation from IQ-08 vs.IQ-09. <sup>2</sup>2009 % Change Data from May 2009 vs. May 2008. <sup>3</sup>2009 % Change Data from Mar 09 vs. Mar 08.

### Mississippi: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	4%	5%	5%	2%	
Personal Income Growth	5%	7%	6%	4%	
Employment Growth, of which:*	0.8%	0.2%	1.1%	0.7%	-3%
Natural Resources and Mining	1%	9%	0.0%	-2%	0.0%
Manufacturing	-0.1%	-2%	-3%	-5%	-11%
Trade, Transportation & Utilities	0.7%	2%	0.4%	-0.5%	-3%
Professional & Business Services	5%	10%	-3.4%	4%	-7%
Education and Health Services	2%	0.6%	4%	0.5%	1%
Leisure & Hospitality	0.9%	-7%	7%	2%	-4%
Total Exports	26%	12%	16%	40%	16%
Total Visitors**	-3%	0.0%	-26%	-9%	

Sources: Bureau of Economic Analysis-Regional Accounts, Mississippi Labor Market Information, US Census Bureau, Foreign Trade Statistics, The Mississippi Division of Tourism and The Washington Economics Group, Inc.

Notes: <sup>1</sup>Percent Change observations from April to April annual rate. <sup>2</sup>2009 % Change Data is March 2009 vs. March 2008.

### Oklahoma: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	8%	7%	5%	7%	
Personal Income Growth	7%	9%	8%	6%	
Employment Growth, of which: <sup>1</sup>	3%	2%	2%	2%	-2%
Natural Resources and Mining	15%	17%	10%	14%	-9%
Manufacturing	2%	2%	0.3%	4%	-9%
Trade, Transportation & Utilities	0.5%	2%	1%	2%	-2%
Professional & Business Services	5%	3%	3%	2%	-4%
Education and Health Services	1%	2%	2%	4%	0.8%
Leisure & Hospitality	4%	2%	1%	2%	3%
Total Exports	36%	2%	4%	10%	3% <sup>2</sup>
Total Visitors	N/A	N/A	N/A	N/A	N/A

Sources: Bureau of Economic Analysis-Regional Accounts, Oklahoma Labor Market Statistics, US Census Bureau, Foreign Trade Statistics, and The Washington Economics Group, Inc.

Notes: <sup>1</sup>Percent Change observations from April to April annual rate. <sup>2</sup>2009 % Change Data is March 2009 vs. March 2008.



### Texas: Economic Trends Impacting FDI Profitability

Indicator	2005	2006	2007	2008	2009
GDP Growth	9%	9%	7%	7%	
Personal Income Growth	9%	8%	8%	6%	
Employment Growth, of which: <sup>1</sup>	1%	3%	3%	3%	-2%
Natural Resources and Mining	7%	11%	12%	11%	-3%
Manufacturing	0.8%	3%	1%	-0.6%	-7%
Trade, Transportation & Utilities	2%	3%	2%	3%	-3%
Professional & Business Services	5%	7%	5%	5%	-4%
Education and Health Services	3%	3%	3%	3%	5%
Leisure & Hospitality	3%	3%	4%	4%	0.7%
Total Exports	10%	17%	11%	14%	-22% <sup>2</sup>
Total Visitors	5%	1%	-3%	-3%	

Sources: Bureau of Economic Analysis-Regional Accounts, Texas Labor Market Review, US Census Bureau, Foreign Trade Statistics, 2009 Office of the Governor, Economic Development and Tourism and The Washington Economics Group, Inc.

Notes: <sup>1</sup>Percent Change observations from April to April annual rate. <sup>2</sup>2009 % Change Data is March 2009 vs. March 2008.

**APPENDIX IV:**  
**LOUISIANA TRADE STRATEGY WITH CENTRAL AMERICA:**  
**TOP PRODUCTS AND SERVICES THAT ARE IN DEMAND**  
**FROM SELECTED CENTRAL AMERICAN NATIONS FOR EXPORTS**  
**FROM LOUISIANA BUSINESSES UNDER CAFTA**

<b><i>COSTA RICA</i></b> <b>BUSINESS OPPORTUNITIES FOR LOUISIANA COMPANIES (RANK ORDER)</b>		
<b><i>Non Agricultural</i></b>	<b><i>Agricultural</i></b>	<b><i>Services</i></b>
1. Automotive Parts Accessories & Service Equipment	1. Corn	1. Tourism and Travel Services
2. Construction Equipment	2. Soybeans	2. Financial Services
3. Audio Visual Equipment	3. Wheat	3. Engineering/Architecture Services
4. Hotel & Restaurant Equipment	4. Rice	4. Construction-Related Services
5. Tools: Hand Power/Hardware	5. Fresh Fruit	5. Education Exchanges
<i>Sources: U.S. Department of Commerce. Rank Order by Consultants, The Washington Economics Group, Inc. (WEG).</i>		

<b><i>DOMINICAN REPUBLIC</i></b> <b>BUSINESS OPPORTUNITIES FOR LOUISIANA COMPANIES (RANK ORDER)</b>		
<b><i>Non Agricultural</i></b>	<b><i>Agricultural</i></b>	<b><i>Services</i></b>
1. Medical Equipment	1. Wheat	1. Tourism and Travel Services
2. Hotel & Restaurant Equipment	2. Soybean Meal	2. Education Services
3. Computer & Peripherals	3. Corn	3. Healthcare Services
4. Telecommunications Equipment	4. Dairy Products	4. IT Services
5. Printing & Graphic Art Equipment	5. Rice	5. Construction-Related Services
<i>Sources: U.S. Department of Commerce. Rank Order by Consultants, The Washington Economics Group, Inc. (WEG).</i>		

<b>GUATEMALA</b> <b>BUSINESS OPPORTUNITIES FOR LOUISIANA COMPANIES (RANK ORDER)</b>		
<i>Non Agricultural</i>	<i>Agricultural</i>	<i>Services</i>
1. Automotive Parts Accessories & Service Equipment	1. Apples	1. Tourism and Travel Services
2. Food Processing & Packaging	2. Rice	2. Financial Services
3. Construction Equipment & Building Products	3. Poultry	3. Healthcare Services
4. Hotel & Restaurant Equipment	4. Red Meats	4. Security Services
5. Franchising	5. Grapes	5. Construction-Related Services
<i>Sources: U.S. Department of Commerce. Rank Order by Consultants, The Washington Economics Group, Inc. (WEG).</i>		

<b><i>HONDURAS</i></b> <b>BUSINESS OPPORTUNITIES FOR LOUISIANA COMPANIES (RANK ORDER)</b>		
<b><i>Non Agricultural</i></b>	<b><i>Agricultural</i></b>	<b><i>Services</i></b>
1. Automotive Parts & Service Equipment	1. Coarse Grains	1. Tourism and Travel Services
2. Building Products	2. Rice	2. Educational Services
3. Printing & Graphic Arts	3. Wheat	3. Telecommunication Services
4. Food Processing & Packaging	4. Soybean Meals	4. Security Services
5. Hotel & Restaurant Equipment	5. Red Meats	5. Engineering & Architecture Services
<i>Sources: U.S. Department of Commerce. Rank Order by Consultants, The Washington Economics Group, Inc. (WEG).</i>		

<b>PANAMA</b> <b>BUSINESS OPPORTUNITIES FOR LOUISIANA COMPANIES (RANK ORDER)</b>		
<i>Non Agricultural</i>	<i>Agricultural</i>	<i>Services</i>
1. Building Products	1. Dairy Products	1. Financial Services
2. Telecommunication Equipment	2. Red Meats	2. Tourism and Travel Services
3. Construction Equipment	3. Snack Foods	3. Marine Services
4. Medical Equipment	4. Yellow Corn for Feeds	4. Airport & Port Services
5. Hotel & Restaurant Equipment	5. Rice	5. Construction-Related Services
<i>Sources: U.S. Department of Commerce. Rank Order by Consultants, The Washington Economics Group, Inc. (WEG).</i>		

**APPENDIX V:**  
**DATABASE OF POTENTIAL LOUISIANA COMPANIES**  
**THAT WOULD BENEFIT FROM IMPLEMENTATION OF**  
**THE LOUISIANA-LATIN AMERICA COMMERCIAL STRATEGY**



## **1. Visitor & Leisure Companies**

**Horseshoe Casino & Hotel**  
[www.horseshoebossiercity.com](http://www.horseshoebossiercity.com)

**Isle of Capri Lake Charles**  
<http://lake-charles.isleofcapricasinos.com>

**St. Charles Gaming, Co, Inc**  
[www.isleofcapricasino.net](http://www.isleofcapricasino.net)

**The Ritz-Carlton New Orleans**  
[www.ritzcarlton.com](http://www.ritzcarlton.com)

**Hotel Monteleone New Orleans**  
[www.hotelmonteleone.com](http://www.hotelmonteleone.com)

## **2. Life Sciences & Medical Companies**

**Nupotential LLC**  
[www.nupotentialinc.com](http://www.nupotentialinc.com)

**InterTech Science Park**  
[www.intertechsciencepark.com](http://www.intertechsciencepark.com)

**Amedisys**  
[www.amedisys.com](http://www.amedisys.com)

**Dudley Enterprises**  
[www.dudleyenterprises.com](http://www.dudleyenterprises.com)

**Embera NeuroTherapeutics, Inc**  
[www.emberaneuro.com](http://www.emberaneuro.com)

**The Biomedical Research Foundation of Northwest Louisiana**  
[www.biomed.org](http://www.biomed.org)

**Pennington Biomedical Research**  
[www.pbrc.edu](http://www.pbrc.edu)

**BlueCross and BlueShield of Louisiana**  
[www.bcbsla.com](http://www.bcbsla.com)

**Ochsner Clinic Foundation**

[www.ochsner.org](http://www.ochsner.org)

**Franciscan Missionaries of Our Lady Health System, Inc.**

[www.fmolhs.org](http://www.fmolhs.org)

**Coventry Health Care of Louisiana**

[www.chcla.com](http://www.chcla.com)

**Willis-Knighton Health Systems**

[www.wkhs.com](http://www.wkhs.com)

**Woman's Hospital**

[www.womans.org](http://www.womans.org)

**LSU Health Sciences Center**

[www.lsuhs.edu](http://www.lsuhs.edu)

**Cardiovascular Consultants**

[www.cardioconsult.com](http://www.cardioconsult.com)

**The Pathology Lab**

[www.lapathology.org](http://www.lapathology.org)

**Acadian Ambulance Service, Inc.**

[www.acadian.com](http://www.acadian.com)

### **3. Business and Professional Services Companies**

**Innovative Emergency Management, Inc**

[www.iem.com](http://www.iem.com)

**AFS Logistics LLC**

[www.afs.net](http://www.afs.net)

**Breazeale, Sachse & Wilson LLP**

[www.bswllp.com](http://www.bswllp.com)

**Frantzen, Voelker and Conway Investments LLC**

[www.fvcinvestments.com](http://www.fvcinvestments.com)

**Phelps Dunbar, LLP**

[www.phelpsdunbar.com](http://www.phelpsdunbar.com)

**Fowler Rodriguez Valdes-Fauli**  
[www.frc-law.com](http://www.frc-law.com)

**Adams and Reese, LLP**  
[www.adamsandreese.com](http://www.adamsandreese.com)

**Liskow and Lewis**  
[www.liskow.com](http://www.liskow.com)

**Mcglinchey Stafford, PLLC**  
[www.mcglinchey.com](http://www.mcglinchey.com)

**Long Law Firm**  
[www.longlaw.com](http://www.longlaw.com)

**Fargo Transport, Inc.**  
[www.davisontransport.com](http://www.davisontransport.com)

**John H. Carter Co.**  
[www.johnhcarter.com](http://www.johnhcarter.com)

**Jones Walker**  
[www.joneswalker.com](http://www.joneswalker.com)

**The Shaw Group, Inc.**  
[www.shawgrp.com](http://www.shawgrp.com)

**Allen & Gooch**  
[www.allengooch.com](http://www.allengooch.com)

**Performance Contractors, Inc.**  
[www.performance-lc.com](http://www.performance-lc.com)

**Lockheed Martin Space Systems Co.**  
[www.lockheedmartin.com](http://www.lockheedmartin.com)

**Lincoln Builders, Inc.**  
[www.lincolnbuilder.com](http://www.lincolnbuilder.com)

**C.H. Fernstermaker & Associates Inc.**  
Website: N/A

**McInnis Brothers Construction Inc.**  
[www.mcinnisbrothers.com](http://www.mcinnisbrothers.com)

**Stirling Properties**  
[www.stirlingprop.com](http://www.stirlingprop.com)

**The Gray Estate**  
Website: N/A

**Durr Heavy Construction**  
[www.durrhc.com](http://www.durrhc.com)

**The Newtron Group, Inc.**  
[www.thenewtrougroup.com](http://www.thenewtrougroup.com)

#### **4. Energy Companies and**

**Petrohawk**  
[www.Petrohawk.com](http://www.Petrohawk.com)

**Goodrich Petroleum**  
[www.goodrichpetroleum.com](http://www.goodrichpetroleum.com)

**Stone Energy Corporation**  
[www.stoneenergy.com](http://www.stoneenergy.com)

**Moncla Well Service, Inc.**  
[www.monclawellservice.com](http://www.monclawellservice.com)

**Atmos Energy**  
[www.atmosenergy.com](http://www.atmosenergy.com)

**Entergy Louisiana**  
[www.entergy.com](http://www.entergy.com)

**AEP Southwestern Electric Power**  
[www.aep.com](http://www.aep.com)

**CLECO Power**  
[www.cleco.com](http://www.cleco.com)

**Gulf Island Fabrication**  
[www.gulfisland.com](http://www.gulfisland.com)

**Tidewater Inc.**  
[www.tdw.com](http://www.tdw.com)

**Marlin Energy, LLC**  
Website: N/A

## **5. Higher Education Institutions**

**Tulane University**, New Orleans  
[www.tulane.edu](http://www.tulane.edu)

**Louisiana State University**, Baton Rouge  
[www.lsu.edu](http://www.lsu.edu)

**Louisiana Tech University**, Ruston  
[www.latech.edu](http://www.latech.edu)

**University of Louisiana at Lafayette**  
[www.louisiana.edu](http://www.louisiana.edu)

**University of New Orleans**  
[www.uno.edu](http://www.uno.edu)

## **6. Agriculture Companies**

**Red River Specialties, Inc**  
[www.rrsi.com](http://www.rrsi.com)

**Terral Seed, Inc.**  
[www.Terralseed.com](http://www.Terralseed.com)

**Zapp's Potato Chips**  
[www.zapps.com](http://www.zapps.com)

**Zatarain's Inc.**  
[www.zatarain.com](http://www.zatarain.com)

**International Matex Tank Terminals**  
[www.imtt.com](http://www.imtt.com)

**Hodges Natural Resources**  
Website: N/A

## **7. Financial Services & Insurance Companies and Websites**

**Louisiana Ventures, LP**  
[www.vcecapital.com](http://www.vcecapital.com)

**Capital One**  
[www.capitalone.com](http://www.capitalone.com)

**Whitney National Bank**  
[www.whitneybank.com](http://www.whitneybank.com)

**KPMG**  
[www.kpmg.com](http://www.kpmg.com)

**Arsement, Redd and Morella LLC**  
[www.cpa-arm.com](http://www.cpa-arm.com)

***Iberiabank Corporation***  
[www.iberiabank.com](http://www.iberiabank.com)

**MidSouth Bank**  
[www.midsouthbank.com](http://www.midsouthbank.com)

**Pan American Life**  
[www.panamericanlife.com](http://www.panamericanlife.com)

**Kilpatrick Life Insurance Co.**  
[www.klic.com](http://www.klic.com)

**LUBA Worker's Comp.**  
[www.lubawc.com](http://www.lubawc.com)

**First Trust Corporation**  
[www.fbtonline.com](http://www.fbtonline.com)

**Randy Ewing, LLC**  
Website: N/A

**Franks Management Company, LLC**  
Website: N/A

**Wachovia Securities**  
[www.wachoviasecurities.com](http://www.wachoviasecurities.com)

**Kinsey Interests, Inc.**  
Website: N/A

**Noland Investments**  
Website: N/A

**Humana Health Benefit Plan of Louisiana, Inc.**  
[www.humana.com](http://www.humana.com)

## **8. Manufacturing Companies**

**Chemtura Corporation**  
[www.chemtura.com](http://www.chemtura.com)

**Red River Pharma**  
[www.redriverpharma.com](http://www.redriverpharma.com)

**Cajun Candle Factory Inc**  
[www.cajuncandles.com](http://www.cajuncandles.com)

**Russel Klein**  
[www.russelklein.com](http://www.russelklein.com)

**Mid South Extrusion, Inc.**  
[www.midwouthextrusion.com](http://www.midwouthextrusion.com)

**The Dow Chemical Company**  
[www.dow.com](http://www.dow.com)

**Sidewinder Pumps, Inc.**  
[www.sidewinderpumps.com](http://www.sidewinderpumps.com)

**Stuller Settings Inc.**  
[www.stuller.com](http://www.stuller.com)

**Georgia Pacific Corp.**  
[www.gp.com](http://www.gp.com)

## **9. Information Technology & Telecommunications Companies**

**Network Foundation Technologies**  
[www.nft-tv.com](http://www.nft-tv.com)

**CMC Americas, Inc.**  
[www.cmc-americas.com](http://www.cmc-americas.com)

**Global Data Systems, Inc.**  
[www.getgds.com](http://www.getgds.com)

**Financial Institution Service Corporation**  
[www.fiscdp.com](http://www.fiscdp.com)

**EATEL**  
[www.eatel.com](http://www.eatel.com)

**AT&T Louisiana**  
[www.att.com](http://www.att.com)

**CenturyTel, Inc.**  
[www.centurytel.com](http://www.centurytel.com)

## **10. Shipping and Ship Building Companies and Websites**

*AmeriGlobe FIBC Solutions*  
[www.ameriglobe-fibc.com](http://www.ameriglobe-fibc.com)

**Maritime Endeavors Shipping Co., Ltd.**  
[www.mescltd.com](http://www.mescltd.com)

**Bollinger Shipyards, Inc.**  
[www.bollingershipyards.com](http://www.bollingershipyards.com)



**APPENDIX VI:**  
**THE WASHINGTON ECONOMICS GROUP, INC.**  
**PROJECT TEAM**



**J. ANTONIO "TONY" VILLAMIL**

Dean and Research Professor of Economics, School of Business, St. Thomas University of Florida  
Principal Economic Advisor, The Washington Economics Group, Inc.

Tony Villamil has over thirty years of successful experience as a business economist, university educator and high-level policymaker at both federal and state governments. He has served as a Presidential appointee U.S. Undersecretary of Commerce for Economic Affairs, and is the founder of a successful economic consulting practice, The Washington Economics Group, Inc. (WEG). Since August 2008, Tony is the Dean and Research Professor of Economics at the School of Business of St. Thomas University of Miami, while continuing to serve as Principal Economic Advisor to the clients of WEG.

Tony is a member of the President's Advisory Committee on Trade Policy and Negotiations in Washington, D.C. He is the immediate past Chairman of the Governor's Council of Economic Advisors of Florida, and during 1999-2000, he directed the Tourism, Trade and Economic Development activities of the State in the Office of Governor Jeb Bush. Presently, he is on the Board of Directors of the Spanish Broadcasting System (NASDAQ), Mercantil Commercebank, N.A. and Enterprise Florida – the State's principal economic development organization.

Among other leadership positions, he served in 2008 as the economist of the constitutionally mandated Tax and Budget Reform Commission of Florida (TBRC), and is currently Chairman of the Economic Roundtable of the Beacon Council – Miami-Dade County's official economic development organization. He is also a Senior Research Fellow of Florida TaxWatch, an established fiscal and policy research organization of the State. After winning the gubernatorial election in November 2006, then Governor-elect Charlie Crist appointed him as his Economic Advisor during the transition period.

Tony earned bachelor and advanced degrees in Economics from Louisiana State University (LSU), where he also completed coursework for the Ph.D. degree. In 1991, Florida International University (FIU) awarded him a doctoral degree in Economics (hc), for "distinguished contributions to the Nation in the field of economics." He speaks frequently to business, government and university audiences on economic topics, and was until the summer of 2008 a member of the Graduate Business Faculty of Florida International University (FIU).



**Pamella J. Dana, Ph.D.**  
Senior Advisor for Economic Development

Dr. Pamela Dana is an experienced and high-level specialist in international business development, and in the development of programs linking international commercial ties to economic development efforts at the State level.

In July 1995, Pam was appointed by the former Governor of California, Pete Wilson, as assistant secretary for trade development in California's Trade and Commerce Agency, serving successfully in such capacity until 1999.

In May 1999, she was selected and appointed by the Governor of Florida, Jeb Bush, to serve as Deputy Director of the Governor's Office of Tourism, Trade and Economic Development (OTTED). At OTTED, Dr. Dana developed and organized the international strategy of the Governor under the direction of Tony Villamil, OTTED Director until 2000 and Principal Advisor in this Project on behalf of Louisiana.

After returning to the private sector in 2000, Dr. Villamil recommended to the Governor that she be appointed Director of OTTED. She served as OTTED Director until the end of Gov. Bush two-term administration in December 2006.

Dr. Dana received her Ph.D. in International Economic Development from the University of Southern California (USC) (an interdisciplinary program) and her M.A. from Harvard University. She has led trade missions throughout Latin America and the global economy.



**MARY SNOW**  
Manager of Client Services

Mary Snow is the Manager of Client Services at The Washington Economics Group, Inc. (WEG). She serves as WEG's client liaison, working with clients to facilitate their business interests and achieve their goals.

Prior to joining WEG, Mary was a governmental consultant for Robert M. Levy & Associates with offices in Miami and Tallahassee. She represented clients' interests at the local level and to the State Legislature.

Mary received her undergraduate degree in Political Science with a minor in Education from Florida State University. Mary is a resident of Coral Gables, Florida.



**HAYDEE M. CARRION**  
Executive and Research Assistant

Haydee Carrion is Executive and Research Assistant of the firm, specializing in the preparation and design of reports and documents for clients. Significant experience in data computerization, Internet research, Microsoft Software, and in Desktop Publishing.

Ms. Carrion has over twenty year of experience in administrative and office management activities, primarily in a research environment that requires independent judgment and the use of electronic research.

She received her A.A. and A.S., from Miami Dade College, in Business Administration and Office System Technologies, pursuing B.A. degree in Economics.